SECOND CHANCE PROPERTIES LTD

ANNUAL REPORT
2016

HOLDING
OUR GROUND


First Lady

COMPANY PROFILE

SECOND CHANCE PROPERTIES LTD
was listed on SESDAQ on 24th January 1997. On 2nd March 2004, it was transferred to the Mainboard of Singapore Stock Exchange. Second Chance Properties Ltd is involved in 4 core businesses:

Property Investment | Retailing of Apparel | Retailing of Gold Jewellery
Investing and Trading in Financial Instruments

VISION STATEMENT

To be a billion dollar company by 2022

CONTENTS

Dear Shareholders,

OVERVIEW

Amidst the global and regional economic slowdown which is affecting businesses across all sectors, the Group has managed to hold its ground and remains profitable.

Our EBITDA decreased marginally by $0.34 million to $9.85 million this year from $10.19 million in the prior year.

Our net profit for the current year is $6.97 million compared to $10.26 million for the previous financial year. Loss on revaluation of properties, lower rental income, weakening Ringgit Malaysia and intense competition in the retail sector amidst a slowing economy are the key contributions to the lower net profits. However, our gold business in Singapore is profitable and performing as expected.

With a low gearing of 0.21 and our properties (including self-occupied properties) valued at $207.21 million, our NTA ending 31 August 2016 is standing strong at $256.25 million.

I believe that despite the negative external forces surrounding our businesses, the Group has managed to hold its ground well while deploying key strategic moves, such as closing down non-performing, far-flung outlets and focusing more on our Mega First Lady flagship store in Kuala Lumpur and monetising some of our properties.

DIVIDEND POLICY & DIVIDENDS

Rising profits over the past many years, have allowed us to distribute high dividends during those years. In the current economic environment, our profitability has declined and the outlook for the next few years does not seem to be encouraging. Some of our shareholders have even questioned the sustainability of our high dividend policy.

In view of this situation, the Board of Directors has decided to be prudent and limit the distribution of dividends to be not more than 30% of net profit after tax.

The Board is recommending a dividend of 0.2 cents per ordinary share (one-tier exempt) for the financial year ended 31 August 2016 to be approved at the upcoming AGM on 29 December 2016. The amount to be distributed will be S$1.51 million which is 21.66% of our net profit after tax.

BONUS WARRANT ISSUE

The Board is proposing a Bonus Issue of up to 1,332,421,102 Warrants of the Company on the basis of one Bonus Warrant for every one existing Ordinary Share in the capital of the Company at an exercise price of $0.25 for each new Ordinary Share to be approved at this upcoming EGM on 29 December 2016.

FUTURE OUTLOOK

The global economic outlook for 2017 is not encouraging with sluggish growth expected to continue in most countries due to weak global trade, low commodity prices and diminishing capital flows. There is also the possibility of the situation worsening.

In view of the above, we are adopting the strategy of streamlining and consolidating our businesses. The group is looking to maintain and strengthen the core businesses and not to expand or take on new ventures for the time being. We are focussing on preserving our assets, lowering our debts and positioning ourselves to seize opportunities when they arise.

CORPORATE GOVERNANCE

We have highlighted some of our key policies and activities in light of our corporate responsibility reporting on page 19 of this Annual Report.

CSR – CORPORATE SOCIAL RESPONSIBILITY

For our CSR programs this year, we have sponsored and donated to various social and educational activities – from community events, fund raising projects to social development programs.

We will continue to improve our CSR with more activities, engagements and meaningful donations. You may wish to refer to pages 20 & 21 of this Annual Report to view some of the highlights of our CSR programs done in the past year.

INVESTOR RELATIONS

Whenever appropriate, the Company would like to engage its shareholders on a regular and timely basis with news and information of our performance and future plans. We continue to maintain a database of email addresses of our shareholders for this purpose. Shareholders interested to be on our mailing list can email us at contact@secondchance.com.sg.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to take this opportunity to thank all shareholders for their resolute support and trust in the management. As always, we will do what is best to ensure that your investment in our Company is safe and gives you a reasonable return.

I would like to welcome back Mr Paul Tan Lye Heng and Dr Ahmad Magad on their re-appointment as Independent Non-Executive Directors. Their insights and wealth of experience would be invaluable to the Group in its roadmap towards the future.

Their recent re-appointments as Independent Directors were held to a vote by minority shareholders during the last AGM on 30 December 2015, where myself, Mr Hasan Marican and Mr Dev Pisharody (collectively being the majority shareholders) abstained from voting to allow minority shareholders to decide on the re-appointments.

The minority shareholders' vote results of more than 99% to their re-appointments speaks volume of the confidence placed on them for their independence and value-add to the Group.

Many thanks to Ms Geetha Padmanabhan, our Independent Non-Executive Director for her concerns and instrumental contributions to the Group, especially as Chairman of the Audit Committee.

To the employees, management and executive directors of the Group, I am grateful and appreciate all your hard work, loyalty and commitment. As we hold our ground amidst these trying times, let us remain strong together and work as a team for a better year ahead.

Mohamed Salleh Marican
Chairman and CEO
23 November 2016

BOARD OF DIRECTORS

MOHAMED SALLEH MARICAN, 67
CHAIRMAN & CEO

Attended Victoria School Singapore 1962-1967

1968 - 1971: Served 3 years National Service and left with rank of Lieutenant.

Sole Proprietor from 15 June 1974 to 04 August 1986

Date of first appointment as a Director:
05 August 1986

Date of last re-election as a Director:
30 December 2015

Length of service as a Director (as at 31 August 2016):
30 years and 27 days

Board Committee(s) served on:
Nominating Committee (Member)
(Stepped down on 12 November 2014)

Present Directorships (as at 31 August 2016):
Listed Companies
Nil

Other Principal Directorships:
Temasek Foundation Cares CLG Limited
19 Wholly Owned Subsidiaries of the Group

Major Appointments (other than Directorships):
Treasurer, Temasek Foundation Cares CLG Limited

Past Directorships held over the preceding 5 years:
(01 September 2011 to 31 August 2016)
Nil

Others
1988 - Inaugural Malay Businessmen of the Year Award, jointly organised by the Singapore Malay Chamber of Commerce and Berita Harian
1996 - Entrepreneurship Excellence Award Conferred by Lianhe Zaobao and the Entrepreneurship Development Centre of the Nanyang Technological University
2011 - Berita Harian Achiever of the Year 2011 Award
2012 - Ernst & Young Entrepreneur of the Year
2013 - Best CEO Singapore Corporate Award
2014 - Life Member of Fellow Singapore Institute of Directors since 27 August 2014

HASAN MARICAN, 62
DEPUTY CEO

Attended Victoria School 1967-1970
GCE 'O' Level

Date of first appointment as a Director:
02 March 1987

Date of last re-election as a Director:
30 December 2015

Length of service as a Director (as at 31 August 2016):
29 years 6 months

Board Committee(s) served on:
Nil

Present Directorships (as at 31 August 2016):
Listed Companies: Nil

Other Principal Directorships:
19 Wholly Owned Subsidiaries of the Group

Major Appointments (Other than Directorship):
Nil

Past Directorships held over the preceding 5 years
(from 01 September 2011 to 31 August 2016):
Nil

DEV PISHARODY, 59
EXECUTIVE DIRECTOR

Attended St. Patricks Secondary School 1970-1972
Bartley Secondary School 1973-1974
GCE 'O' Level

April 1975 - October 1978: Served 3 1/2 years
National Service
Last rank attained - Sergeant

Date of first appointment as a Director:
02 March 1987
Date of last re-election as a Director:
30 December 2014

Length of service as a Director (as at 31 August 2016):
29 years 6 months

Board Committee(s) served on:
Nil

Present Directorships (as at 31 August 2016):
Listed Companies:
Nil

Other Principal Directorships:
Second Chance Investments Pte Ltd
First Lady Apparels (Malaysia) Sdn Bhd

Major Appointments (Other than Directorship):
City Plaza Management Corporation Strata Title No.669 - Treasurer
Sim Lim Management Corporation Strata Title No.1440 - Member

Past Directorships held over the preceding 5 years
(from 01 September 2011 to 31 August 2016):
Nil

DR AHMAD MAGAD, 63
LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

Education & Qualifications:
Doctor of Business Administration (Henley Business School-UK)
Master of Business Administration (Henley Business School-UK)
Advanced Post Graduate Diploma in Management Consultancy (UK)
Ingenieur Grad (Germany)
Fellow Member of CPA Australia
Fellow Member of Chartered Institute of Marketing, UK
Fellow Member Singapore Institute of Directors

Date of first appointment as an Independent Non-Executive Director: 20 December 1996
Date of last re-election as an Independent Non-Executive Director:
30 December 2015

Length of service as Independent Non-Executive Director:
16 years 11 months 11 days (from 20 December 1996 to 30 November 2013)
Reappointed on 30 December 2015

Board Committee(s) served on:
Nominating Committee (Chairman)
Audit Committee (Member)
Remuneration Committee (Member)

Listed Companies:
II-VI Singapore Pte Ltd (Group Managing Director)
II-VI Optics Suzhou Co. Ltd (Chairman)
II-VI Vietnam Pte Ltd (Director)
All the above for II-VI Incorporated - NASDAQ USA

Other Principal Directorships:
Mendaki SENSE Pte Ltd (Chairman and Director)
Singapore Productivity Association
Singapore Productivity Centre

Major Appointments (Other than Directorship):
Workforce Singapore (Board Member)
Singapore Productivity Association (President)
Singapore Manufacturing Federation (Vice President)
Management Development Institute of Singapore (Chairman, Senate; Chairman, Academic Advisory Committee)

Past Directorships held over the preceding 5 years:
(from 1 September 2011 to 31 August 2016)
Workforce Development Agency (Board Member)
National Productivity Council (Council Member)

Others:
Former Member of Parliament for Pasir Ris-Punggol GRC - (1997 to 2011)
Former Chairman of Pasir Ris-Punggol Town Council - (2006 to 2011)
Former Chairman, Estimates Committee of Singapore Parliament
Former Chairman, Government Parliamentary Committee for Finance and Trade & Industry
Former Chairman, Government Parliamentary Committee for Manpower
Former Chairman, Regional Parliamentary Group-Middle East
Former Dy Chairman, Institute of Technical Education
Former Dy Chairman, Malay Heritage Centre
Former Board Member, SPRING Singapore
Former Board Member, Accounting and Corporate Regulatory Authority
Former Board Member, Public Utilities Board
Former Board Member, Energy Market Authority

BOARD OF DIRECTORS

GEETHA PADMANABHAN, 43
INDEPENDENT NON-EXECUTIVE DIRECTOR

Education & Qualifications:
Bachelor of Science from Bangalore University, India
Chartered Accountant from Institute of Chartered Accountants of India

Mrs. Geetha has been with the Group since April 2003. She worked with the Group as Finance Manager from April 2003 to 30 June 2006 and then from April 2007 to Jan 2012. Prior to joining the Group, she had 3 years of accounting and auditing experience with a firm of Chartered Accountants affiliated to Deloitte & Touche Tohmatsu. She also worked as a part-time lecturer in a private Business School and as a systems consultant for ERP software of Microsoft for a brief period of time.

Date of first appointment as a Non-Executive Director: 01 March 2012
Date of last re-election as a Non-Executive Director: 17 December 2012
Date of redesignation as an Independent Non-Executive Director: 30 November 2013

Length of service as Independent Non-Executive Director as at 31 August 2016:
2 years 9 months

Board Committee(s) served on:
Audit Committee (Chairman)
Nominating Committee (Member)
Remuneration Committee (Member)

Present Directorships (as at 31 August 2016):
Listed Companies:
Nil

Other Principal Directorships:
Nil

Major Appointments (Other than Directorship):
Nil

Past Directorships held over the preceding 5 years:
(from 01 September 2011 to 31 August 2016)
Nil

Others:
July 2013 to present: Managing Director in self-owned firm, SVP Consultants & Advisors
April 2003 - January 2012: Group Finance Manager at Second Chance Properties Ltd
Articleship Training for Chartered Accountancy course with C.C. Chokshi, Mumbai; a firm affiliated to Deloitte & Touche Tohmatsu.

TAN LYE HENG PAUL, 51
INDEPENDENT NON-EXECUTIVE DIRECTOR

Education & Qualifications:
Fellow of Institute of Singapore Chartered Accountants
Fellow of Association of Chartered Certified Accountants, UK
Master of Business Administration, University of Birmingham

Date of first appointment as an Independent Non-Executive Director: 29 November 2002

Date of last re-election as an Independent Non-Executive Director: 30 December 2015

Length of service as an Independent Non-Executive Director :
10 years 19 days (from 29 November 2002 to 17 December 2012)
Reappointed on 30 December 2015

Board Committee(s) served on:
Remuneration Committee (Chairman)
Audit Committee (Member)
Nominating Committee (Member)

Present Directorships (as at 31 August 2016):
Listed Companies:
Sin Ghee Huat Corporation Ltd
Serial System Ltd

Other Principal Directorships:
CA TRUST PAC (Director)
Yeo Yew Swee PAC (Director)

Major Appointments (Other than Directorship):
Master Facilitator, Taxation Module
Singapore Qualifying Programme, Singapore Accountancy Commission

Past Directorships held over the preceding 5 years:
(from 01 September 2011 to 31 August 2016)
China Sunshine Chemical Holdings Ltd

Others:
Accredited Mediator of the Consumer Association of Singapore (CASE) Mediation Panel

HOLDING OUR GROUND

MANAGEMENT TEAM

REEMA AGARWAL (34) FINANCE ADVISOR

Ms. Reema is a qualified Chartered Accountant (CA) and has worked with Chaturvedi & Shah, a leading audit and tax firm based in India, as an Assistant Tax Manager. She has also worked with different private firms in Singapore as a Finance Manager, managing their accounts and financial matters. She was part of the Group from 2012 - 2014 as our Finance Manager. In early 2015, she left the Group to set-up her own Consultancy & Accountancy Firm, ARIKA CONSULTING. She re-joined the group in August 2015 as Finance Advisor and currently is responsible for the financial accounting, management reporting, statutory audit, tax related matters and secretarial work of the Group.

J RAJ MOHAMED (51) ACCOUNTS MANAGER

Mr.Raj Mohamed has been with the Group since 01 October 1995. Prior to joining the Group, he had 10 years of experience in accounts and auditing with an Audit Firm and Taj Group of Hotels (TATA Group). He is responsible for managing the Group's full sets of accounts in Microsoft Dynamic Navision (ERP), day to day accounting and finance operations, accounts receivable & payables for Singapore & Malaysia. He also oversees the Group's bank loans and also responsible to maintain the Group's Investment in Bonds and Equities portfolio as well as liaising with Bankers and Securities Remisiers.

He also assists in the general administration of the Group. He graduated with a Master Degree of Commerce (Accounting and Finance).

AMAL MARICAN (29) EXECUTIVE DIRECTOR - FIRST LADY APPARELS (MALAYSIA) SDN BHD

Mr. Amal Marican joined the Group on 15 September 2008. Prior to that, he has been continually exposed to the retail trade within the Group for 8 years. He is assisting the CEO in the general management and operations of First Lady Malaysia. His other responsibilities include Purchasing and Advertisements and Promotions.

SAFIE BIN HUSSAIN (57) FIELD MANAGER

Mr. Safie Hussain has been with the Group since 1980. He started out in the Group as a sales staff. Between 1984 and 1989, he was one of the franchisee of 2nd Chance Men's Store. He is now responsible for ensuring that the stores are run in accordance with the Group's operational procedures and computerisation system. His new responsibility is to oversee the First Lady stores in Johor Bahru, Malaysia.

AZLAN BIN MOHD SHAFIE (40) MANAGEMENT EXECUTIVE

Mr. Azlan Shafie joined the Group since 2000. He started out in the Group as Assistant Manager in Golden Chance. From September 2002 to July 2010, he joined First Lady Apparels (M) Sdn Bhd in Malaysia as the Executive Director. He assisted the CEO in the general management of the First Lady operations of the Group. His other responsibilities include Purchasing, Advertising and Promotions. Due to personal reasons, he left the company in August 2010 but re-joined the Group in October 2011. He is now a Management Executive in Singapore and his responsibilities include the general Purchasing, Advertising and Promotions for the Group and also assisting the CEO in the general management of the business.

SHEIKH FARHAN (37) BUSINESS DEVELOPMENT EXECUTIVE

Mr Sheikh Farhan is the new face in the Group, joining in September 2014. Prior to joining the Group, he was running his own companies - mainly in the F&B sector for over 7 years with a year spell working in a non-profit organisation. He was also a Regular Infantry Officer in the Singapore Armed Forces for 6 years, after graduating from Singapore Polytechnic with Diploma in Business Administration. His current job scope includes working with the CEO and the Board in the business development aspects of the Group and cultivating strategies for expansion plans. He also assists the CEO on daily ad hoc tasks and activities of the business.

FINANCIAL INDICATORS AND HIGHLIGHTS

in S$' 000

Revenue	EBITDA	NTA
S$ 39,122	S$ 9,852	S$ 256,254

Profit Before Tax	Profit After Tax
S$ 7,588	S$ 6,972

	2012 (S$' 000)	2013 (S$' 000)	2014 (S$' 000)	2015 (S$' 000)	2016 (S$' 000)
Revenue	64,556	53,917	48,459	45,788	39,122
Profit Before Tax	33,587	59,424	17,819	10,496	7,588
Profit After Tax	30,466	57,132	16,517	10,263	6,972
Dividend (Net)	3.8cps	3.4cps	3.5cps	3.55cps *	0.2cps **
Properties & Fixed Assets	175,649	212,904	228,174	222,211	208,220
Total Assets	249,088	320,599	361,685	348,843	320,232
Net Current Assets	(376)	5,747	(20,231)	(15,402)	(2,497)
Net Tangible Assets	200,202	260,842	263,249	254,297	256,254
Capital Employed	220,469	270,589	269,086	259,604	259,486
Share Capital	82,897	116,925	120,141	120,141	138,319
Current Ratio	0.99	1.12	0.78	0.83	0.96
Debt To Equity Ratio	0.24	0.23	0.37	0.37	0.25
Capital Gearing Ratio	0.19	0.17	0.34	0.32	0.21
Earnings Per Share (cents)	5.80	9.00	2.44	1.52	0.96
Price/Earning Ratio	6.72	4.89	18.65	17.11	27.08
NTA Per Share (cents)	35.72	39.10	38.87	37.55	33.92
Interest Coverage Ratio	40.44	141.74	28.74	5.05	8.75

*Dividend is 4.438 cents if computed pre-bonus issue.

** Dividend is 0.25 cents if computed pre-bonus issue.

PROFIT & LOSS ACCOUNT

	2016 (S$'000)	2015 (S$'000)	Variance (%)	
Revenue	39,122	45,788	- 14.56	1
Adjusted EBITDA *	9,852	10,188	- 3.30	1
Interest	979	2,592	-62.23	2
Profit before tax	7,588	10,496	- 27.71	3
Profit after tax	6,972	10,263	- 32.07	3

BALANCE SHEET

Total assets	320,232	348,843	- 8.20	4
Investment properties	183,653	192,914	- 4.80	4
Bank balances and cash	5,512	7,084	- 22.19	
Short term loans	55,548	83,261	- 33.28	5
Long term loans	3,232	5,307	- 39.10	5
Shareholders' funds	256,254	254,297	- 0.77	6

FINANCIAL RATIOS

Return on equity (%)	2.73	8.07	- 66.16
Current ratio	0.96	0.83	15.66
Gearing ratio	0.21	0.32	- 34.38
Interest coverage (times)	8.75	5.05	73.27
Dividend payout ratio	20.83	233.55	-91.08

PER SHARE DATA

Earnings (cents)	0.96	1.52	- 36.84
Net asset value (cents)	33.92	37.55	- 9.67
Dividend (cents)	0.20	3.55	- 94.37
Dividend yield (%)#	0.77	13.65	- 94.37

1 Revenue decreased for all businesses

2 Repayment of loan mainly from proceeds realised on sale of properties

3 Mainly on account of drop in revenue from all businesses

4 Decreased due to sale of four investment properties

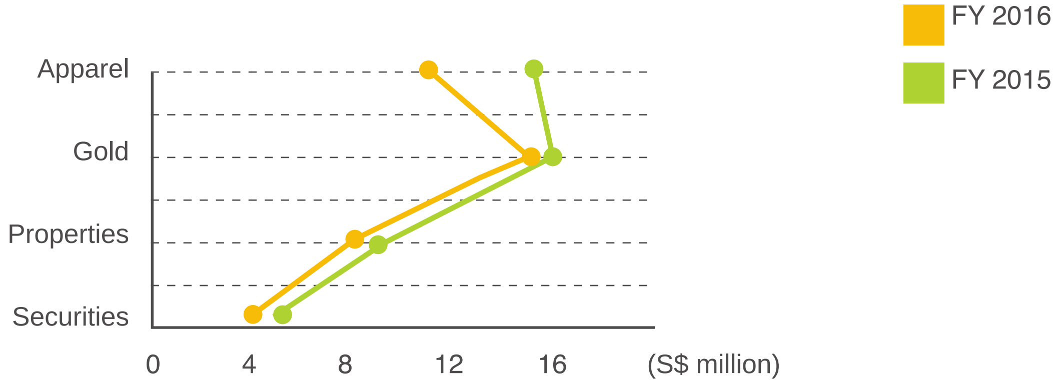
5 Part of short term and long term loan repaid during the year

6 Increase in share capital mainly due to issue of shares pursuant to the Scrip Dividend Scheme

* Adjusted earnings before Interest, tax, depreciation, exchange gains/losses, revaluation gain/deficit, divestment profit/loss.
# Based on the last traded price of 26 cents as at 31 August 2016 and 31 August 2015

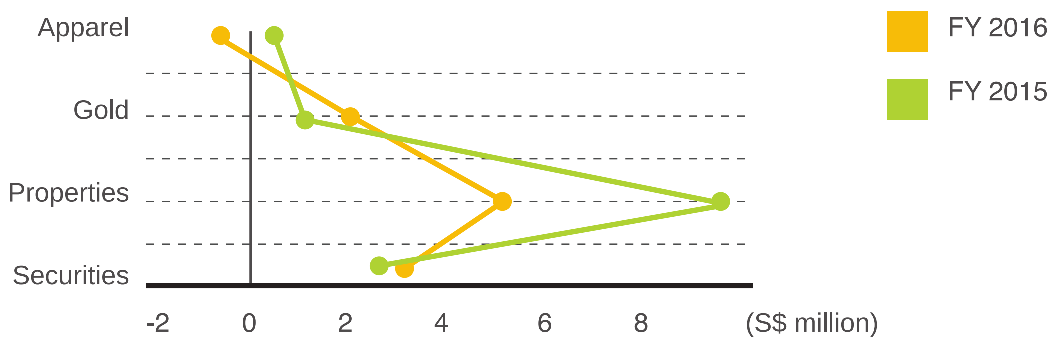
FINANCIALS AT A GLANCE

Revenue



Revenue	FY 2016 S$ million	FY 2015 S$ million	Variance S$ million	Variance %
Apparel	10.85	15.69	(4.84)	(30.85%)
Gold	15.72	15.95	(0.23)	(1.44%)
Properties	8.28	8.94	(0.66)	(7.38%)
Securities	4.27	5.21	(0.94)	(18.04%)

Profit before tax and unallocated expenses



	FY 2016 S$ million	FY 2015 S$ million	Variance S$ million	Variance %
Apparel	-0.76	0.92	(1.68)	(182.61%)
Gold	2.12	1.58	0.54	34.18%
Properties	5.86	9.97	(4.11)	(41.22%)
Securities	2.85	2.27	0.58	25.55%

Overview

The group net profit decreased by $3.29 million to $6.97 million in FY 2016 from $10.26 million in FY 2015.

Revenue decreased by $6.67 million or 14.56% from $45.79 million in FY 2015 to $39.12 million in FY 2016.

Adjusted EBITDA decreased marginally by $0.34 million from $10.19 million in FY 2015 to $9.85 million in FY 2016

Revenue

The Group revenue decreased by $6.67 million or 14.56% from $45.79 million in FY 2015 to $39.12 million in FY 2016.

Different business segments contributed to the decrease as illustrated below:

Revenue	FY 2016 S$ million	FY 2015 S$ million	Variance S$ million	%
Apparel	10.85	15.69	(4.84)	(30.85%)
Gold	15.72	15.95	(0.23)	(1.44%)
Properties	8.28	8.94	(0.66)	(7.38%)
Securities	4.27	5.21	(0.94)	(18.04%)

There was a decrease of $4.84 million in the revenue from apparel business mainly because of closure of fifteen shops in Malaysia since the end of FY 2015, the introduction of GST, the weakening Malaysian Ringgit and also intense competition there. The revenue from apparel business was $10.85 million in FY 2016 as compared to $15.69 million in FY 2015. Of the $10.85 million, Malaysian apparel business contributed $8.40 million.

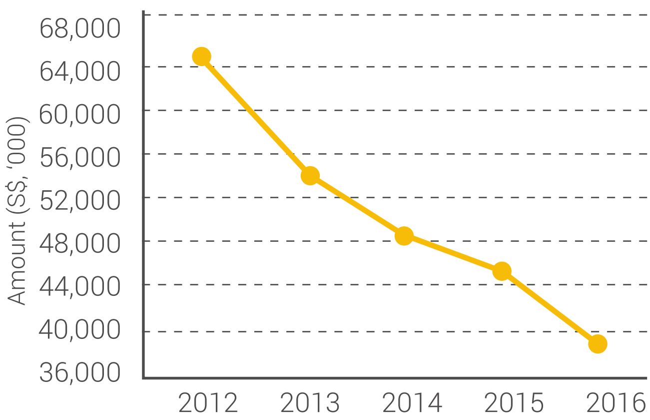
Revenue from gold business decreased marginally by $0.23 million from $15.95 million in FY 2015 to $15.72 million in FY 2016 due to general market conditions.

Rental revenue from properties generated $8.28 million in FY 2016 as compared to $8.94 million in FY 2015. There was a loss of rental income on account of sale of four investment properties as well as lower rentals received on some lease renewals. However, this loss was partially off-set by the rental income derived from part of the new property acquired in Malaysia, a ten storey commercial building which is earmarked as the flagship store for First Lady apparel business.

The securities business recorded a decrease in revenue of $0.94 million from $5.21 million in FY 2015 to $4.27 million in FY 2016. This decrease was the result of drop in coupon payments and dividends on the fixed income and equity securities redeemed/sold since FY 2015.

The graph below represents the total revenue from the group during the past five years:

Revenue



Profit

The Group net profit decreased by $3.29 million from $10.26 million in FY 2015 to $6.97 million in FY 2016.

The contribution from various business segments are illustrated below (the contributions are before interest, tax and unallocated expenses).

	FY 2016 S$ million	FY 2015 S$ million	Variance S$ million	%
Apparel	-0.76	0.92	(1.68)	(182.61%)
Gold	2.12	1.58	0.54	34.18%
Properties	5.86	9.97	(4.11)	(41.22%)
Securities	2.85	2.27	0.58	25.55%

The apparel business recorded $0.76 million loss in FY 2016 as against $0.92 million profit in FY 2015. The drop in revenue on account of closure of fifteen shops in Malaysia, introduction of GST and the unrealised foreign exchange loss because of the depreciating Malaysian Ringgit contributed to the loss in this business.

Gold business recorded $2.12 million profit in FY 2016, an increase of $0.54 million in profit from the prior year mainly because of higher gross profit margin in the current year.

Properties segment contributed $5.86 million in FY 2016 as compared to $9.97 million in FY 2015.

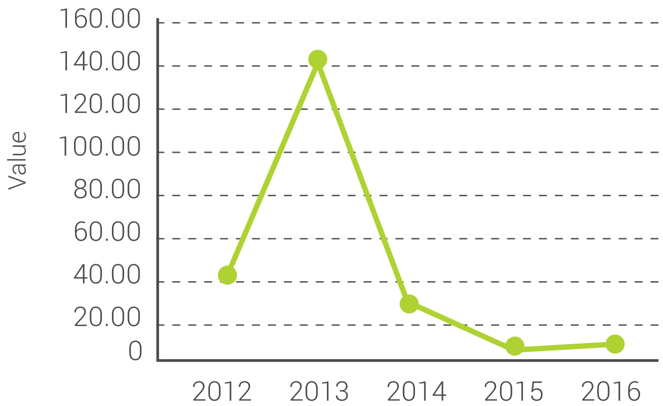
This was mainly because of the reduced rental income during the current period. Further, in FY 2016 there was a loss of $1.55 million on revaluation of properties as compared to a gain of $1.22 million in FY 2015 and this also contributed to the decrease in profit from this segment.

Securities segment recorded a profit of $2.85 million in FY 2016, which was a $0.58 million more than the profit of $2.27 million in FY 2015. This was mainly because in FY 2015, unrealized loss of $6.04 million was recorded on financial assets, at fair value through profit or loss i.e. the financial assets held for trading purpose as compared to an unrealized loss of $1.49 million in FY 2016. However, the realised profit of $2.34 million on available-for-sale financial in FY 2015 reduced the overall loss from this segment.

Finance Costs

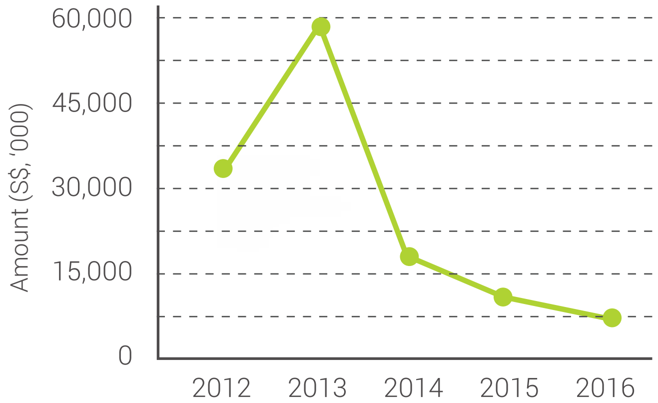
Interest expenses decreased by $1.61 million from $2.59 million in FY 2015 to $0.98 million in FY 2016 on account of repayment of loans and also due to unrealised foreign exchange loss of $1.38 million in FY 2015 on borrowings denominated in US dollars.

Interest Coverage Ratio



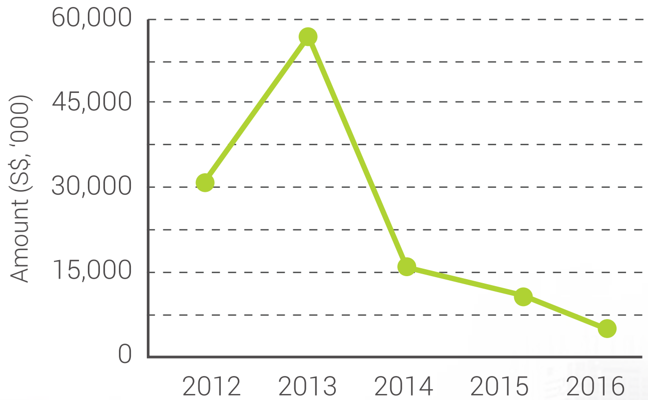
Below is a graphical representation of the profit before tax for the past five years:

Profit Before Tax



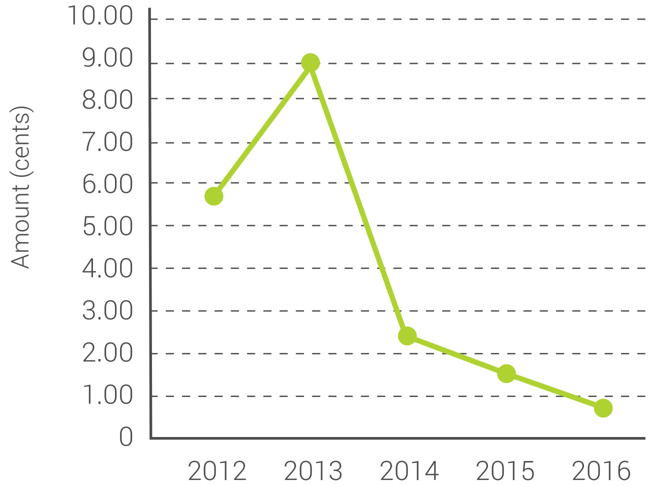
The income tax expense was $0.62 million in FY 2016 as compared to $0.23 million in FY 2015. In FY 2015, the income tax expense was lower mainly because of deferred tax asset arising in one of the subsidiaries on account of business loss being carried forward.

Profit After Tax



The earnings per share for FY 2016 was 0.96 cents as compared to 1.52 cents in FY 2015. Below is a comparison of the earnings per share for the past five years:

Earnings Per Share



Adjusted EBITDA

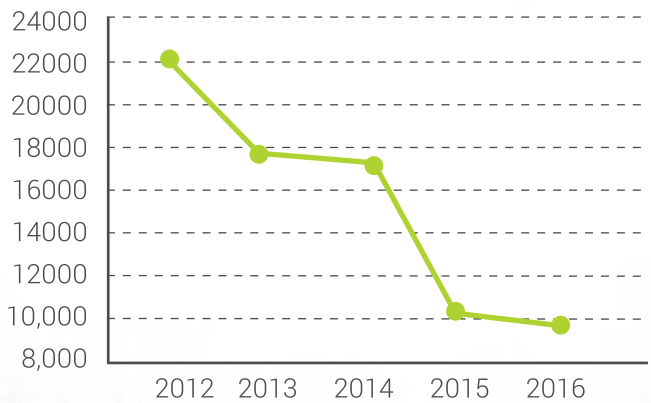
Adjusted EBITDA decreased marginally by $0.34 million from $10.19 million in FY 2015 to $9.85 million in FY 2016.

The details of adjusted EBITDA calculation are as below:

Adjusted EBITDA*	FY 2016 $'000	FY 2015 $'000
Net Profit	6,972	10,263
Add/(Less)		
Interest Expenses	979	2,592
Taxes	615	232
Depreciation	379	458
Fair Valuation deficit/(gain)of properties	1,547	(1,222)
Divestment gain on available-for-sale financial assets	-	(2,343)
Divestment gains of investment property	(640)	(1,050)
Exchange differences	-	1,258
	9,852	**10,188**

**Adjusted earnings before interest, tax, depreciation, exchange gains/losses, revaluation gains/deficit, divestment profits/losses*

EBITDA



Dividends

For FY 2016, the Directors have recommended a tax-exempt (one-tier) cash dividend of 0.20 cents per share to be approved by the shareholders at the Annual General Meeting.

The dividend yield for FY 2016 amounts to 0.77% based on the market price of 26 cents per share as at 31 August 2016 and the dividend payout ratio is 20.83% considering the earnings per share of 0.96 cents.

Cash Flow

The net cash flow from operating activities was $15.01 million in FY 2016.

Capital distribution from available-for-sale financial assets generated $0.43 million.

An amount of $19.18 million was realized from sale of investment property and the Group drew down an amount of $79.75 million from banks. Against this, an amount of $109.39 million was utilised to repay bank borrowing.

The Group exercised warrants totaling $0.34 million and they were classified as available-for-sale. Purchase of fixed assets totaled $0.37 million. The above funds were also deployed to distribute dividends totaling $5.86 million. Cash and cash equivalents at the end of the period i.e. 31 August 2016 was $5.49 million which was a decrease

Cash and cash equivalents at the end of the period i.e. 31 August 2016 was $5.49 million which was a decrease of $1.59 million from the $7.08 million at the beginning of the period i.e. 31 August 2015.

Financial Position as at 31 August 2016

Investment properties of the group totaled $183.65 million. In addition, $23.56 million worth of property owned by the group was classified as Property, plant and equipment because it was self-occupied. Thus the total value of the properties was $207.21 million.

As at 31 August 2016, available-for-sale financial assets comprised of shares valued at $53.95 million and financial assets at fair value through profit or loss comprised of fixed income securities and shares valued at $17.75 million and $16.89 million respectively. During the year, the unrealized gain in fair value on financial assets, available-for-sale was $1.04 million which was taken directly to equity while the unrealised loss on fair value of financial assets, held-for-trading was $1.49 million which was taken to the income statement.

Inventories at end August 2016 totaled $16.42 million of which $10.99 million was gold stock.

The asset allocation of the group as at 31 August 2016 is shown in the below chart:

Working Capital

The working capital was negative, similar to the position as at 31 August 2015. This was because the group utilized short-term bank facilities in order to benefit from lower interest rates. These loans are rolled over on maturity and have the flexibility of repayment at anytime.

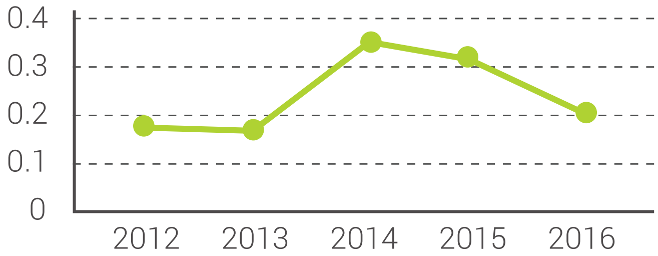
The Group had a negative working capital of $2.50 million as at 31 August 2016 as compared to the negative working capital of $15.40 million as at 31 August 2015 due to partial repayment of short term loans in the current year.

Bank Borrowings

Long-term bank borrowings decreased from $5.31 million in FY 2015 to $3.23 million in FY 2016. Total borrowings of the group were $58.78 million at end August 2016 while the borrowings totaled $88.57 million at end August 2015. The gearing ratio of the group improved to 0.21 as at 31 August 2016 from 0.32 as at 31 August 2015.

Gearing

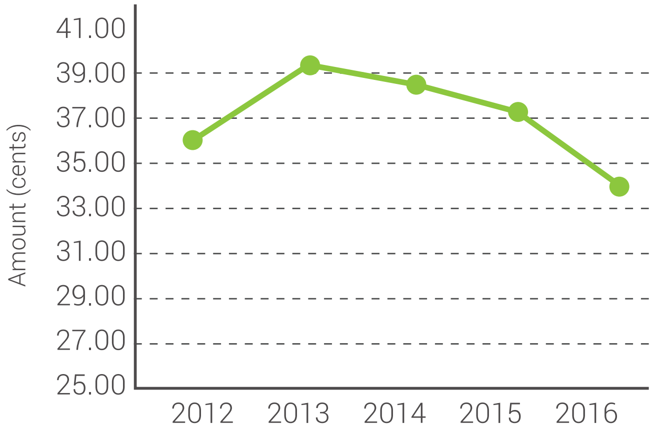
The gearing ratio is calculated as net debt divided by total equity where net debt is calculated as borrowings less cash and cash equivalents.



Share capital

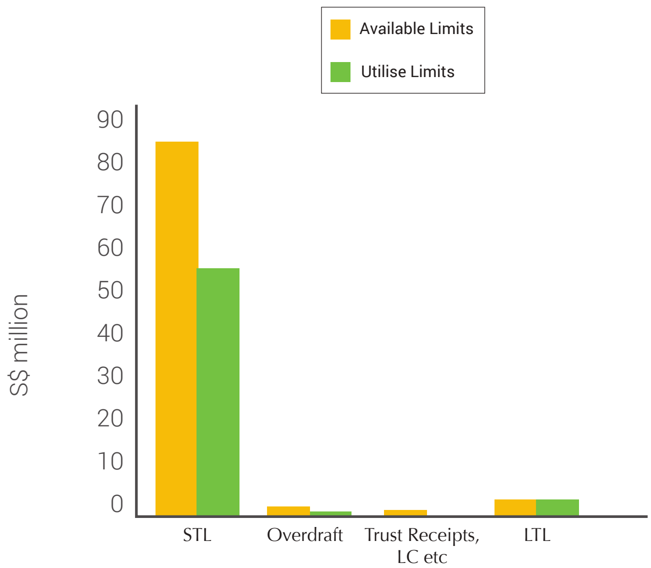
Share capital was $138.32 million as at end August 2016 as compared to $120.14 million as at end August 2015. This increase was due to the issue of shares pursuant to the scrip dividend scheme. The number of shares in float was 755.40 million as at 31 August 2016 as compared to 677.21 million as at 31 August 2015. Total shareholders' equity stood at $256.25 million and NTA per share was 33.92 cents as at 31 August 2016.

NTA Per Share



Below is an overview of the various bank facilities available and amounts utilized:

	Available limits S$ million	Utilised limits S$ million	% Utilised
STL	85.19	55.17	64.76%
Overdraft	1.25	0.02	1.60%
Trust receipt, LC etc	0.45	-	0.00%
LTL	3.59	3.59	100.00%
	90.48	**58.78**	**64.96%**



Commercial & Office

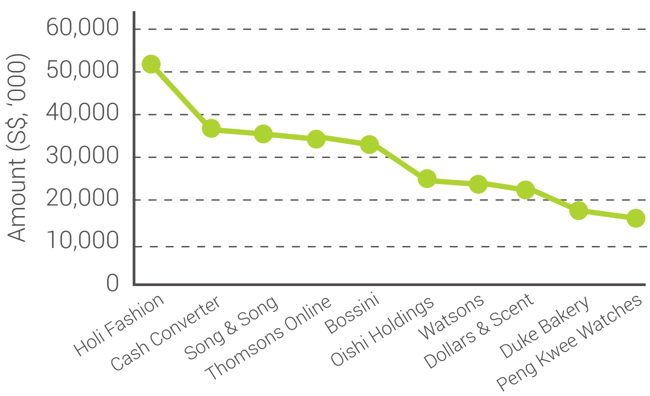
FY 2016 Appraised Value	Net Lettable Area
S$ 207.21M	**41,742 sq ft**

Current Utilisation	Occupancy Rate
Rented Out	**99.71%**

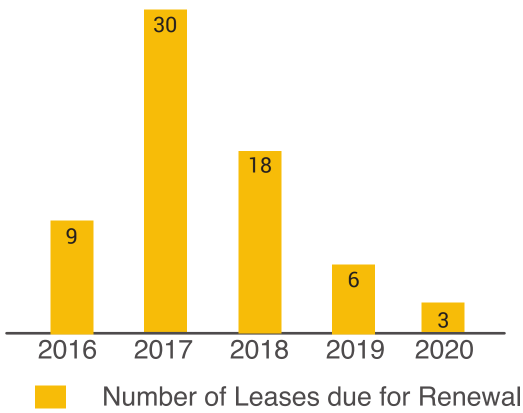
Rental Income Contribution By Tenant Trade Sector

Sector	%
Apparels	27%
Electronics & Peripherals	19%
Food & Beverage	9%
Clinics & Opticals	2%
Hair Salon & Spa	5%
Banks & Financial Services	3%
Convenient & Departmental Stores	19%
Fashion Accessories	6%
Jewellery	4%
Office	6%

Top 10 Tenants (Gross Rental Per Month)

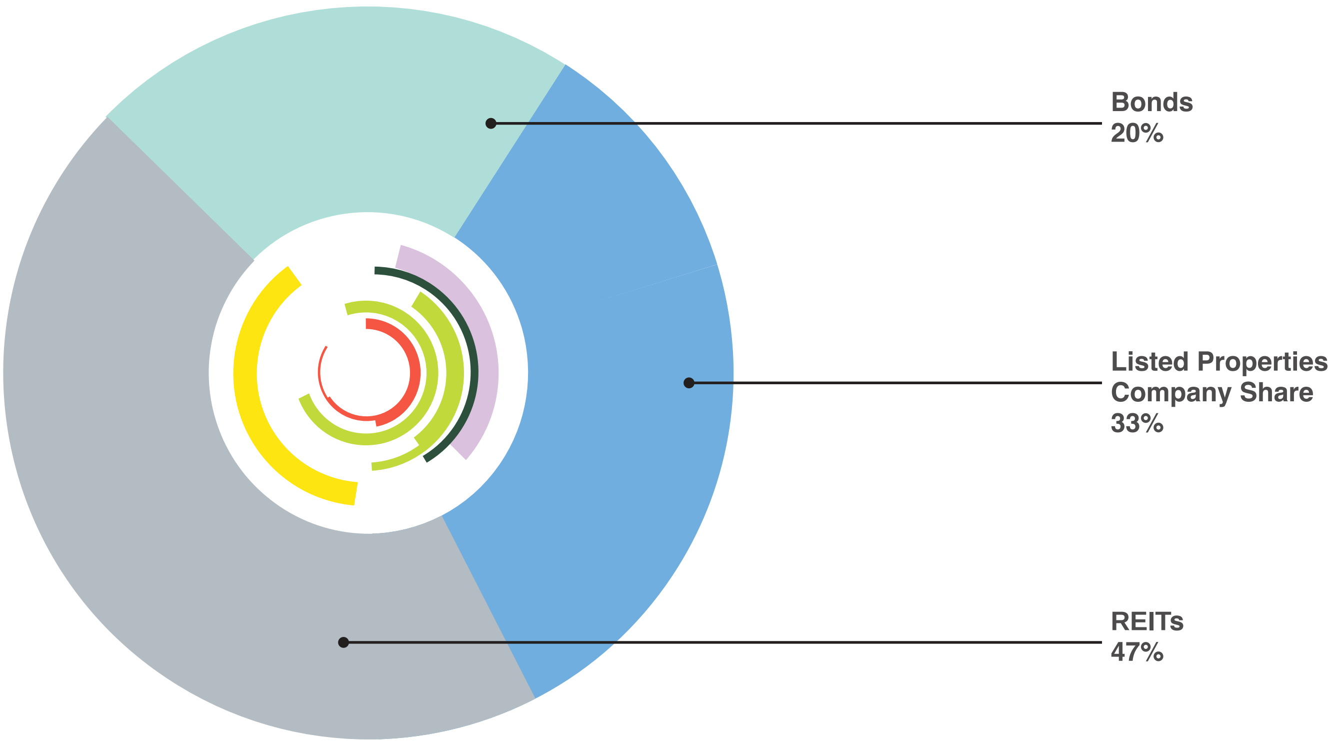


Lease Expiry Profile

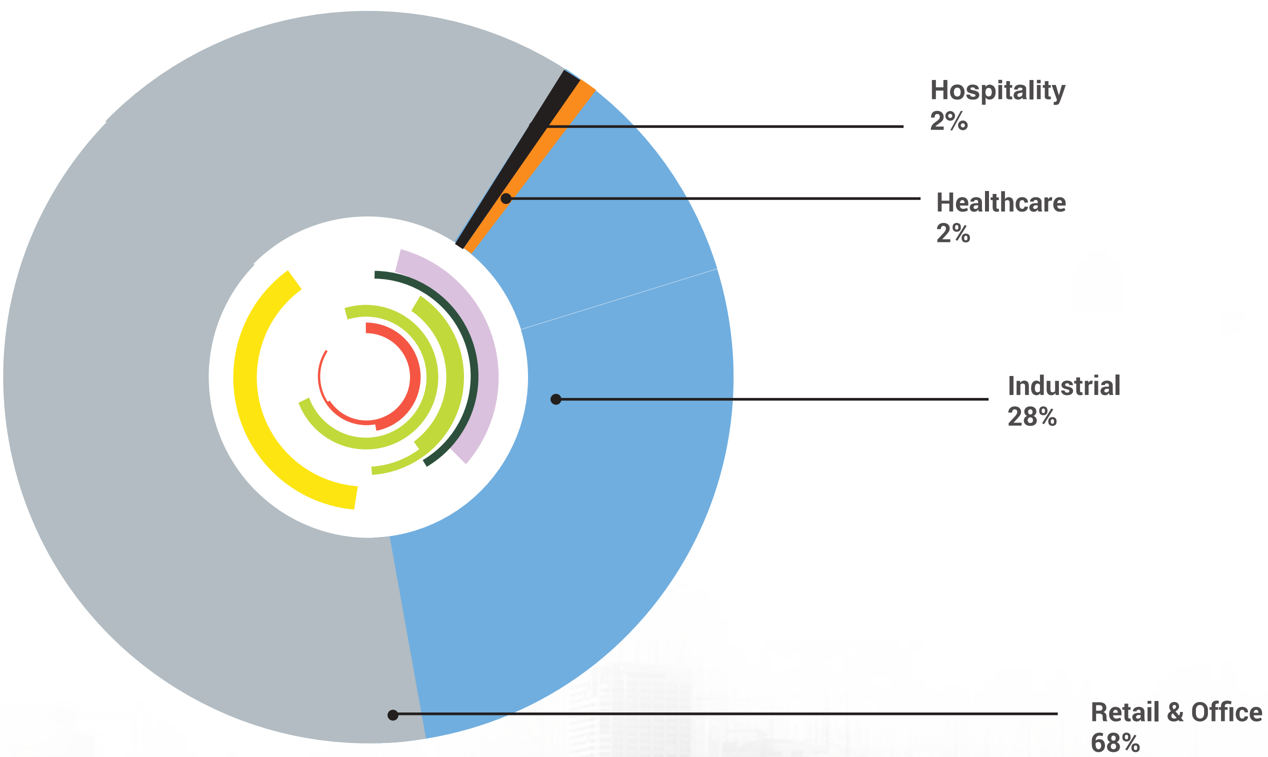


QUOTED SECURITIES INVESTMENT OVERVIEW

Quoted Securities Investment Overview As At 31 August 2016



Overview of REITs Investment by Sectors



CASINO SELF-EXCLUSION POLICY

We require our employees including top executives and senior management to sign up at National Council of Problem Gambling (NCPG) website to self-exclude their names from entering Singapore's casinos for as long as they are employed with the Group.

This move which was formalized in 2011, stemmed from the several news in the corporate world where employees including directors and senior management committed fraud due to their gambling habits and losses.

As such, it became a guiding principle and culture of our Company to deter and minimize the risk of such events by implementing this policy which at the same time boost our corporate governance standings with our shareholders.

RISK GOVERNANCE & INTERNAL CONTROL

As part of our continuous efforts to improve operational grips on our businesses, the Group has embarked on various risk governance and internal control measures throughout the years.

By engaging established and independent External Auditors - such as RSM Risk Advisory and Deloitte South East Asia - the Group opened their doors for the Auditors which resulted in frameworks and manuals crafted for our adoption on managing risks and fraud, improving our retail POS System and GST implementation.

In addition, senior management and executives are periodically tasked to conduct internal audits on various operations of the Group such as Annual Stock-Taking, Warehouse Management, Security etc. This further ensures that we have our finger on the pulse at all times on our businesses.

WHISTLE BLOWER POLICY

We have a formalized whistle blower policy where anyone is able to send feedback to the CEO or our Lead Independent Non-Executive Director through various channels of communication.

This policy intends to send a clear signal to all business partners, associates, suppliers, employees and other stakeholders of the Group that we have zero tolerance on fraud and misconduct. To make this policy more effective and as an incentive, a financial reward is offered to all whistle blowers.

A Day Out with the Disabled

In early February this year, more than 80 wheelchair bound and disabled beneficiaries from KCMS (Group for the Disabled Singapore) including their caregivers got a memorable day out visiting Mount Faber and Henderson Wave which also includes getting on a Cable Car.

KCMS is a grassroot organization whom members are wheelchair bound and disabled. The group conducts various activities that includes emotional support since 2010 via their pool of active volunteers.

We supported their noble idea by sponsoring food, transportation and ticket rides for their members and caregivers where we believe for many, it was the first time they have experienced a walk along Henderson Wave and enjoying the breath-taking view from a Cable Car ride.

Hari Raya Clothes Disbursement

The Group collaborated with Association of Muslim Professionals via its Adopt-a-Family-Scheme to distribute new clothes to low income families. We donated S$20,000 worth of new clothes (both adults and kids collections) to ensure the whole family can enjoy the festive period with something new.

The beneficiaries could choose the designs and color they actually like and try it out during the disbursement day prior to bringing home their choices.

CNY Red Packets for the Needy

The Group distributed red packets to needy residents organized by Geylang Serai Community Club as part of their Chinese New Year Celebration 2016.

CORPORATE SOCIAL RESPONSIBILITY

For the year, the Group have also contributed to many other organisations, big and small, which includes community activities and fund raising efforts for various projects. We aspire to do more in our CSR efforts in the years to come.

PROPERTY LOCATIONS IN SINGAPORE

01 810 Geylang Road #01-43 City Plaza
02 810 Geylang Road #01-44 City Plaza
03 810 Geylang Road #01-45 City Plaza
04 810 Geylang Road #01-46 City Plaza
05 810 Geylang Road #01-47 City Plaza
06 810 Geylang Road #01-56/57 City Plaza
07 810 Geylang Road #01-60 City Plaza
08 810 Geylang Road #01-61 City Plaza
09 810 Geylang Road #01-81 City Plaza
10 810 Geylang Road #01-107 City Plaza
11 810 Geylang Road #02-49 City Plaza
12 810 Geylang Road #02-50 City Plaza
13 810 Geylang Road #02-51 City Plaza
14 810 Geylang Road #02-81/82 City Plaza
15 810 Geylang Road #02-86 City Plaza
16 810 Geylang Road #02-88 City Plaza
17 810 Geylang Road #02-105 to 108 City Plaza
18 Blk 214 Bedok North St.1 #01-161
19 Blk 710A Ang Mo Kio Ave 8 #01-2625
20 14 Scotts Road #02-40 Far East Plaza
21 14 Scotts Road #02-42 Far East Plaza
22 304 Orchard Road #01-56/57/58/59 Lucky Plaza
23 1 Park Road #01-32 People's Park Complex
24 1 Park Road #01-33 People's Park Complex
25 111 North Bridge Road #01-28/28A Peninsula Plaza
26 111 North Bridge Road #01-29 Peninsula Plaza
27 111 North Bridge Road #01-38 Peninsula Plaza
28 111 North Bridge Road #01-44 Peninsula Plaza
29 111 North Bridge Road #01-45A/B Peninsula Plaza
30 Blk 190 Toa Payoh Lor 6 #01-560

31 Blk 190 Toa Payoh Lor 6 #01-562
32 Blk 12 Haig Road #01-323
33 Blk 221 Boon Lay Shopping Centre #01-114
34 Blk 221 Boon Lay Shopping Centre #01-122
35 Blk 505 Tampines Central 1 #01-355
36 Blk 505 Tampines Central 1 #01-357
37 Blk 201B Tampines St 23 #01-1063
38 1 Rochor Canal Road #05-36 Sim Lim Square
39 1 Rochor Canal Road #05-53 Sim Lim Square
40 1 Rochor Canal Road #05-54 Sim Lim Square
41 1 Rochor Canal Road #05-60 Sim Lim Square
42 1 Rochor Canal Road #05-61 Sim Lim Square
43 1 Rochor Canal Road #05-62 Sim Lim Square
44 1 Rochor Canal Road #05-63 Sim Lim Square
45 1 Rochor Canal Road #05-64 Sim Lim Square
46 1 Rochor Canal Road #05-65 Sim Lim Square
47 1 Rochor Canal Road #05-72 Sim Lim Square
48 1 Rochor Canal Road #05-73 Sim Lim Square
49 1 Rochor Canal Road #05-74 Sim Lim Square
50 91 Bencoolen Street #07-01/02/03/04/05 Sunshine Plaza
51 Lot. 1.80, 1.81 & 1.82 Ampang Park Shopping Centre, Kuala Lumpur, Malaysia

FIRST LADY SHOPS IN MALAYSIA


KUALA LUMPUR	
Mega First Lady	Lot 165-169 Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur
SELANGOR	
Selayang Mall	Lot F.01 - F.02, First Floor, Selayang Mall Taman Selayang Utama 68100 Selayang
NEGERI SEMBILAN	
Giant Kuala Pilah	G20,21 & 22 Giant Kuala Pilah, Jalan Merang, 72000 Kuala Pilah Negeri Sembilan
JOHOR	
One Segamat Mall	Lot G13 & G15 Ground Floor One Segamat Mall, Jalan Kolam Air 85000 Segamat Johor
Kluang Mall	L1-13 & I1-13A, 1st Floor, Kluang Mall JLN Rambutan Bandar Kluang 86000 Kluang Johor
Square One	Lot F2 & F34, Level 2 Square One Batu Pahat Johor
Plaza Larkin	G11, Ground Floor, Plaza Larkin Jalan Garuda 80000 Johor Bahru
Pasir Gudang	Lot 302B Komplek Pusat Bandar Pasir Gudang Johor Bahru
Danga City Mall	L1 - 13A, 15, 16 & 17 Danga City Mall Jalan Tun Abdul Razak 80000 Johor Bahru
Danga Value Buy	Level 1-11A & B, Danga City Mall Jalan Tun Abdul Razak, 80000 Johor Bahru
U Mall	G 13 & 14 U Mall No 45 Jalan Pulai Utama 20 Taman Pulai Utama 81110 Skudai Johor Bahru
PAHANG	
Temerloh	No 23 Jalan Sudirman 2, Bandar Semantan, 28000 Temerloh Pahang
Berjaya Megamall	Lot 1.19 - 1.22, First Floor, Berjaya Megamall, Jalan Tun Ismail, Sri Dagangan 25000 Kuantan Pahang
KELANTAN	
KB Mall	Lot 1.07 - 1.08 First Floor Jalan Hamzah, 15050 Kota Bharu Kelantan
PULAU PINANG	
Tesco Sg Dua	Lot 3, Ground Floor No 657 Jalan Sg Dua 11700 Sg Dua Pulau Pinang
Tesco Seberang Jaya	Lot F4, 1st Floor Jalan Persiaran Sembilang 13400 Penang
KEDAH	
Central Square	Lot 3F 28-31, 23 Jalan Kg Baru 7999, 08000 Sungai Petani Kedah
PERAK	
Tesco Taiping	Lot F2, First Floor Jalan Istana Larut, 34000 Taiping Perak
Rapid Mall	Lot 1.05 & 1.05A 1st Floor Jalan Changkat Jong 36000 Teluk Intan Perak
Tesco Manjung	Lot F32 & F33, First Floor Lot 16051, 32040 Sri Manjung Perak


WISMA CHOW KIM LIN
MEGA
First Lady
165-169 JLN TUANKU ABDUL RAHMAN KL


29.00
39.00
BAJU KURUNG
RM 29.00
First Lady
BLOUSE


First Lady


79.00
59.00
49.00
AWAS!!!

The Company has chosen a list of frequently asked questions at our Annual General Meeting (AGM) over the years. Most of the answers contain additional details not given at that point of time.

Since 2011, these FAQs have become a permanent feature in our Annual Report. Some questions are replaced with new ones to reflect changes that have taken place so as to keep them relevant for our shareholders and other investors.

Apart from being transparent and improving our good corporate governance, we believe it will be helpful to all shareholders especially those who do not attend the AGMs to have a better feel and understanding of the Company. It should also be of help to analysts and prospective investors.

Disclaimer

It should be noted that the following answers are good at time of publication.

1. **Does the Company have a succession plan in place?**

   To be concern on succession planning is understandable, as a Company's share value can easily tumble with the wrong successor or in certain circumstances when a power struggle ensues.

   It is a fact that some businesses are simpler to manage (like ours) than others and that there will be more capable individuals available to manage it than say certain high tech companies whose profitability is dependent on churning out new gadgets or products to replace those that are going obsolete.

   Many years ago the Nominating Committee endorsed a proposal that Mr. Hasan Marican, the Deputy CEO, who has been with the Group for the last 33 years, to be the successor to the CEO in any eventuality. Thereafter, he together with the NC will appoint a Deputy CEO either from the Company or headhunted and preferably someone under 50 years old. After a year or two on the job, the Deputy CEO, if found suitable, should be promoted to the post of CEO and Mr. Hasan to being Executive Chairman. The Board of Directors who has been working with Mr. Hasan all these years and knowing his ability and his involvement in all aspects of the Group's business unanimously agreed with the Nominating Committee's endorsement.

   The plan above is further reinforced this year with a succession team in place. We have earmarked and identified 3 executives within the group (all below 50) that will form the core of the team that will support the passing of the baton as part of the overall succession plan.

   The Nominating Committee has also noted that the controlling shareholder and his family are supportive of their recommendation that professionals should be brought in on a need to basis.

2. **Why don't you spin all the properties into a REIT?**

   Many of our shareholders have reiterated that our company is like a REIT because we have been distributing high dividends. The question is should we be one?

   One of the requirements of a Singapore listed REIT is ownership of a portfolio of properties valued at not less than S$300 million. The total value of our properties is $207.21 million as at 31 August 2016. Furthermore all our properties are strata titled and from what we understand, SGX is reluctant to approve a REIT that owns dominantly strata titled properties.

3. **Is there a need to impose a quota for women on our Board? You can still appoint one without a quota.**

   Almost all the consumers for our retail businesses are women. As such, it does make plenty of sense for our Board to have female representation. Furthermore, we believe that with their different backgrounds and perspectives, it will enhance decision making and help to mitigate "group think".

   It is apparent that there is now increasing awareness, recognition and acknowledgement by people within the C-Suite that gender diversity makes a difference in the boardroom. This has led to many governments imposing quotas for women not only on corporate boards but also in the government sector.

   We can appoint women without imposing a quota. We do want to ensure that this practice of gender diversification continues into the future. To us, succession planning is not only about having in place people of the appropriate competencies to succeed us but also to ensure that having gender diversity in our company will continue.

4. We understand that there will be a change to your Dividend Policy. May we know what it is?

Rising profits over the past many years, have allowed us to distribute high dividends during those years. In the current economic environment, our profitability has declined and the outlook for the next few years does not seem to be encouraging. Some of our shareholders have even questioned the sustainability of our high dividend policy.

In view of this situation, the Board of Directors has decided to be prudent and limit the distribution of dividends to be not more than 30% of net profit after tax.

The quantum of dividends will now be decided and announced together with the Full Year results. However, we do intend to pay out dividends every year for as long as we remain profitable and our cash flow permits.

5. Will our profits be affected if interest rate rises?

It is a common view that when there is an increase in interest rates, it will have a negative impact on profits. This is not necessarily so, as it depends on the quantum of increase as well as the businesses that one is in. In FY 2016, our interest expense was $0.98 million. If interest rates doubled, it does not necessarily mean that our profits will be reduced by this amount.

Interest rate management is a tool commonly used by governments to control or mitigate rising inflation or an overheated economy. There are other factors in play that can counter the rise in interest rates affecting our profitability, such as an increase in value of properties and/or gold which can outweigh and compensate the additional interest expense. Higher interest rates are usually a result of an improving economy which should generally lead to a better business landscape and increase in profits.

6. Will the redevelopment of Paya Lebar Central have any effect on the Company?

The planned transformation of the area surrounding Paya Lebar MRT station into a Sub-Regional Centre will be a boon to us. In fact property values in this area have already increased and can be expected to increase further as the surrounding development take place.

The Company owns 23 retail properties in this vicinity valued at $49.65 million as at 31 August 2016. 22 of these properties are at City Plaza and 1 at Blk 12, Haig Road.

7. What have you done to prevent fraud in the Company?

All organisations typically face a variety of fraud and misconduct risks. Companies, big and small, lose billions of dollars every year to frauds committed by their own employees. Although there is no foolproof way to prevent this, we have implemented a Fraud Prevention Policy, which we believe will go a long way to reduce or eliminate risks.

The key aspects of our plan are as follows:

a. Being aware and alert to the various types of fraud that is unique to our business and taking the necessary steps to mitigate them.

b. Implementation of a Whistle Blower Policy with a reward incentive.

c. Emphasis on internal audits, both in house and by independent professionals.

d. Appointment of Fraud Prevention Officer to constantly review all the anti-fraud controls in place and to detect, investigate and process any suspicion.

A major fraud can be catastrophic to any organisation. As such, we take this matter very seriously and even had gone to the extent of imposing a mandatory Casino Exclusion Order to all Executive Directors and key personnel of the Company.

Further, the Company has also included an indemnity clause to protect itself from avoidable losses. With effect from 1 January 2012, all Executive Directors and Key Management personnel of the Group had their Service Agreement renewed where they indemnify the Company of all losses incurred arising out of or on connection with any gross negligence, fraud or dishonesty committed.

8. Isn't it bad to have so many years of negative working capital?

It all depends. Negative working capital means that our current liabilities exceed our current assets. The situation only becomes dire if you are unable to pay your creditors when they insist on payment.

Most of our liabilities/debts are mortgages from our property investments. In a way we chose to be in this state of negative working capital by taking more short term rather than long-term loans. We find that it is to our advantage as short-term loans generally demand lower interest rates and thus cheaper to finance. Another advantage is the flexibility in repaying and redrawing the loans, which is more like an overdraft facility. This further saves us interest payments as we repay the loans whenever our cash flow allows it. Our retail business is highly seasonal and produces high cash surpluses during peak periods.

The following points should allay any lingering concerns:

a. We have a stable and sustainable recurrent rental and dividend/coupon income.

b. The interest spread that a bank charges its customers is an indication of the customer's credit standing. We have been enjoying very thin margins, which reflect our bankers' confidence in our Company's stability.

c. Our bankers, the people who should be most worried, do not insist or even mention that we should correct this negative working capital situation. None of our bankers include negative working capital as one of the loan covenants.

d. We can easily correct this situation by converting most of our short-term loans to long-term loans.

e. Our auditors have accepted our explanation and did not deem it necessary to make any mention in their auditors' report.

f. If need be, to reduce debt, we can sell some of our properties or our investment in stocks/shares or raise fresh capital from our shareholders.

Negative working capital is not that unusual even amongst highly profitable multi-billion dollar companies.

9. What about expanding Golden Chance into the Malay market in Malaysia?

In fact, we had opened Golden Chance in Kuala Lumpur in 1995. Thereafter, we realised that the same strategy that made Golden Chance such a success in Singapore could not be replicated there as the same set of circumstances that favoured Golden Chance in Singapore was not present in Malaysia.

The following comparisons will give us a clear understanding of the situation. There is only 1 Malay language newspaper and 1 free to air Malay TV channel in Singapore which enable us to reach nearly all of our targeted customers at relatively low cost. In Malaysia, there are 12 Malay language newspapers and 6 free to air TV channels and it will be very costly to reach the target customers, unless you have many outlets all over the country.

Being a small island, all Malays wherever they live can easily patronise Golden Chance located in our traditional Malay shopping district. The majority of Malays in Malaysia will not visit our store there due to the sheer distance that they have to travel.

Sales of gold jewellery are dependent on a high level of disposable income. The ordinary Malay Singaporean has a much higher disposable income then their counterpart in Malaysia.

Although Golden Chance Malaysia was making a small profit, we knew it would be an uphill task to improve upon it. The only way to make much more profits was to open many more outlets. As it will entail very high capital outlay, we decided that it would be much easier and a better bet to use this capital to make the same profit if not more by investing in retail properties in Singapore. We have benefited from the capital appreciation of these properties and now enjoy a stable source of sustainable recurrent rental income.

10. What would you consider to be the biggest risk facing your Company?

All companies are exposed to many different risk factors. Some risks can be effectively reduced with implementation of good internal controls. There are also risks and uncertainties, which are more difficult to implement counter measures and anticipate. One major risk that is beyond our management's control is a period of prolonged and severe deflation such as the experience of Japan's economy over the last two decades.

As inflation is good for us, deflation will be bad in that it causes a general decrease in prices of goods and services. The real estate properties we own will fall in value together with our rental income. Most businesses including those in retail will be hard hit. Our debts will become relatively more expensive to repay. We may see some tenants defaulting in their rental payments.

Awareness and understanding of this risk should help us mitigate its negative effects. If a prolonged and severe deflation is anticipated in Singapore, we should sell as many of our assets as possible to raise as much cash as possible. Cash is truly KING in such a dire situation.

11. What if the price of gold continues to drop?

Gold prices have dropped considerably since its recent peak at over USD$1,900/- per oz.

When the gold price was continually moving up over the last few years, our revenue and volume of gold sold dropped in tandem as higher prices deterred gold purchases. However, it led to higher gross margin due to the fact that the gold items purchased earlier at lower cost yield bigger profits.

If the gold price continues to slide or drop from current levels, the reverse will take place, that is our revenue and volume of gold sold should increase while gross margin decreases.

Profitability of the gold segment depends on the quantum of increase in revenue/volume relative to the decrease in gross margin. A bigger increase in revenue with a smaller decrease in gross margin will lead to higher profits and vice versa.

Profits will be more stable if prices increase or decrease gradually over a longer period of time. With gold prices stabilising after the substantial decline from the peak, the risk of a sudden collapse in prices has been reduced.

The company does not use any derivatives to hedge gold prices but instead manages its gold stock by increasing its holdings as prices drop and decreasing it when prices increase. This has helped to mitigate the fall in profits during the recent gold sell off.

12. What is your gearing policy?

Leverage is a powerful tool that can rapidly increase shareholder's wealth and as it cuts both ways, it can as easily destroy shareholders' value too.

To maximise our profits, we take a moderate path and is comfortable with a gearing level of below 1 times. Since our listing in 1997, there was only a short period of several months at the end of 2003 when our gearing increased to 1.12 times.

Our strong profits coupled with good cash flow and multiple times of interest coverage acts as a buffer against any sudden economic downturn or negative change in circumstances.

It should be noted that our mortgage loan covenants allows us a gearing of up to 1.5 times. We calculate gearing as a ratio of Borrowings less Cash & Cash equivalents to Total Equity.

13. Your recent increase in profits is mainly from the surplus in property valuation and not from your core activities.

Many Shareholders still continue to perceive the gain in property revaluation as separate from profits. Probably this could be due to it being unrealized.

Under recent changes to accounting rules, we have adopted the fair value model under FRS 40 whereby all investment properties must be revalued every year and a gain or loss shall be recognized as profit or loss for that period. This mark to market approach is more transparent and makes it easier to know the real profit of a Company.

Of our four core businesses, property investment is the biggest contributor to Group profits. We invest in properties not only for the rental income but also to benefit from capital appreciation, which becomes part of the total profit or loss of the investment.

In assessing our loans, all our bankers take into account the revalued amount and not the actual cost of the property. As we have to revalue all our investment properties at the end of every financial year, shareholders should get used to the fact that there will be a gain or loss added to our total profits.

14. Why is your cash balance on hand always very low?

We leverage to increase the returns on our property investments, which result in the Company being always in a debt position.

As interest on outstanding debt is payable on a daily basis, it makes financial sense for us to keep our cash on hand as low as possible, thereby saving interest expenses and increasing our profits.

Being prudent, we do not utilize all our Revolving Loan Facilities at any point in time so as to allow us to draw down cash as and when required.

If need be we can liquidate our REITS investment and also part of our gold holdings to raise immediate cash.

Furthermore our retail sales and rental income provide cash on a daily basis.

15. What is the rationale for issuing warrants at regular intervals?

The Company's share price languished well below book value for several years since our IPO in 1997. One of the main reasons that could be attributed to this dismal situation was our small float which led to low liquidity.
The smaller the float, the more volatile a stock can become as it is harder to match buyers and sellers. For this reason, many investors tend to avoid stocks with small floats.

To overcome this situation, we decided to issue warrants which will help to increase the float when they are exercised. Warrants also tend to attract punters and speculators and in turn help the Company shares to be more exposed. The proceeds from warrants can also be utilized prudently by the Company for making strategic investments, reducing bank borrowings, meeting general working capital requirements, etc.

We have issued bonus warrants thrice in the last nine years and intend to continue doing so. We find that Shareholders are favourable to this form of capital raising as it gives them flexibility and time as compared to say a Rights Issue.

16. There is a lot of warrant outstanding and I am worried that it will lead to much dilution.

The Company's outstanding warrants will expire on 24 July 2017. It should be noted these 577,024,950 new warrants are exercisable only during the fifth (5) year of the warrants i.e. from 25 July 2016 to 5.00 pm on 24 July 2017. As such, there is no question of dilution in the first four years.

Further, one should also not assume that most or all of these warrants will be converted into ordinary shares. At present the warrants are "out of money" and if this situation remains until expiry date, in all probability, none will be converted.

For argument sake, let us assume that the warrants are exercised leading to an increase in the number of shares of the Company's stock that is outstanding. The question we should ask is what is likely to happen. Following are some possibilities;

a. The degree of dilution will depend on the number of warrants converted.

b. A lower earnings per share and in tandem a lower share price which is basically the worry of shareholders

c. The new money raised will initially be used to pay off debts resulting in much lower gearing or leading the company into cash on hand position. Profit will increase by the amount of interest expense saved.

d. It will strengthen the Company's capital base making it financially stronger and providing ammunition for growth.

e. The increase in outstanding shares should improve the much-needed liquidity of the Company's shares.

f. Increased liquidity and a stronger capital base might lead to investors pricing the Company's share at a higher multiple.

g. The drop in earnings per share might be temporary if management wisely deploys the newly raised capital resulting in higher profits.

17. How are you going to overcome the present setbacks and revive the profitability of the Group?

The set of factors that favoured our growth - such as low interest rates, rising rental and property values, rising gold prices, less-intensive competition in the apparel sector/business - have all changed or reversed, affecting our profitability.

We believe patience is a virtue in these trying circumstances and would not want to rush into any new ventures or expansions risking our profitability which we intend to maintain.

Business has always been equated with fighting a war and on the battlefield the wise move to make in overcoming setbacks and facing adversaries is to withdraw, regroup and fight another day.

As such, after much discussion and brainstorming, we have decided on the following:

a. To consolidate our position while waiting for favourable situations or opportunities to arise.

b. To reduce our debt and keep gearing level very low by gradually reducing our bonds and equities portfolio and continuing to monetise our profits on the investment properties.

c. To reinvent our apparel business by reducing the number of 'small outlets' by closing non-performing or marginally profitable retail stores and focusing on a new business model under Mega First Lady.

d. To explore the apparel wholesale business in Malaysia.

18. I feel that your remuneration is quite high. Can we understand how is it fixed?

The company strongly believes that the CEO's bonus should be mainly pegged to performance. At present, his bonus is 4% of the Group's profit before tax for the year with a cap of S$1 million and excludes items such as fair valuation and realised gains or losses on investment properties and shares.

Unlike many companies where CEOs continue to collect huge bonuses even in loss making years, the CEO of this company will not be entitled to any bonus, if there are no operating profits.

The CEO's present salary of S$13,500 per month is way below the market standards. The CEO himself had turned down past attempts by the Remuneration Committee to increase his salary. In fact, he voluntarily lowered his bonus from 5% to the current 4%. A general comparison of his total remuneration with that of his peers in similar sized companies and profitability will show that he is not that highly paid.

19. Indonesia has a large Muslim population. Shouldn't First Lady expand into this market?

Indeed Indonesia has the largest Muslim population in the world. However, we have not expanded there as yet because of the country's protectionist measures against foreign retailers.

Recently they have allowed big retailers such as supermarkets and departmental stores to operate. Franchises have also been allowed particularly in the Food & Beverage business with one of the conditions that local ownership has to be 100% Indonesian.

New regulations have now been introduced to further protect small retailers especially those in traditional businesses. The numbers of outlets of franchises are now restricted and as much as 80% of their inventory must be locally made products.

It seems that we will have to wait until such time that the ASEAN Free Trade Area is fully implemented.

20. Why is the Company investing in bonds?

It is good that you have raised this question as probably many of our shareholders are also wondering the same.

Due to our very low gearing and in order to compensate the loss of rental income from the sale of several properties, we have reinvested $26 million of the sale proceeds into a diversified bond portfolio that provide us an average yield (without taking into account the trading profits/losses) of approximately 5.60% per annum.

We are gradually reducing our bond investments by not reinvesting those that have matured and the total amount invested is remaining at $17.17 million.

FINANCIAL CONTENTS

CORPORATE GOVERNANCE

The Board of Directors (the "Board") is committed to consistently maintain a high standard of Corporate Governance within Second Chance Properties Limited (the "Company") and its subsidiaries (the "Group"). Good Corporate Governance leads to long term shareholders value and enhances interest of all stakeholders. The Board believes that it is imperative to adopt and follow the corporate governance practices contained in the Code of Corporate Governance ("Code") not only at the board level of holding company but throughout the organization as a part of its culture so as to ensure greater transparency, consistency and enhancement of long term shareholder value. This statement outlines the key corporate governance practices that were in place throughout the financial year and up to the date of this report.

Principle 1: THE BOARD'S CONDUCT OF AFFAIRS

1.1 Principal duties of the Board

The Board is primarily responsible for the overall management of the Group focusing on long term health along with the holistic success of business and its financial strength to enhance the long term value of the Group to its shareholders and other stakeholders. The other principal functions of the Board include formulating corporate strategies of the Group, planning annual budget, setting direction and goals for the executive management along with key operational initiatives, supervising executive management, reviewing investment proposals, financial performance as well as corporate governance and monitoring performance. The Board also establishes a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the company's assets. The Board should ensure that Corporate Governance acts as a tool to maintain highest standards of management and business integrity.

In addition, the duties of the Board include:

- Setting the Group's strategic objectives, and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives.
- Overseeing the process for evaluating the adequacy of internal control, risk management, financial reporting and compliance.
- Appointing the Group CEO and approving the remuneration policies and guidelines for the Board and senior management.
- Reviewing the performance of senior management and overseeing succession planning for the senior management.
- Setting the Group's values and standards (including ethical standards) and ensuring that obligations to shareholders and other stakeholders are understood and met; and
- Considering sustainability issues, e.g., environmental and social factors, as part of its strategic formulation.

1.2 Board Process

The Board has delegated specific responsibilities with distinct guidelines to three committees namely Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC") to assist in the efficient execution of its responsibilities. These committees function within clearly defined Terms of Reference, which clearly sets out the objectives, duties, powers and responsibilities which are reviewed on a regular basis. The Board also constantly reviews the effectiveness of each committee and may further build up other committees as dictated by imperatives. The Board accepts that while these various Board committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

The Board meets at least once every quarter to review the quarterly results and as warranted by particular circumstances, ad hoc meetings are also convened to deliberate on urgent substantive matters. The Board may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing. In between these meetings, the Board discusses matters over the tele-conference, electronic and other communication facilities which permits all parties to communicate with each other simultaneously. Dates of all Board and Board Committee meetings as well as the Annual General Meeting are fixed in advance in consultation with the Directors and relevant agenda papers are also circulated to all Directors in advance through email. Minutes of all the Board committees are also circulated to the Board so that Directors are aware of and kept updated as to the proceedings and matters discussed during the Committees' meetings. Directors are encouraged to attend, at the Group's expense, relevant and useful seminars and courses for their continuing education and skills improvement that are conducted by external organization to keep in pace with new laws, regulations, changing commercial risks and financial reporting standards.

A record of Board and Board Committee meetings held during the year under review from the date of the last report 4 December 2015 till the date of this report and the attendance of each Director where relevant is as follows:

	Board	**NC**	**RC**	**AC**
No. of meetings	**4**	**2**	**2**	**4**
No. of meetings attended by respective Directors:				
Mr. Mohamed Salleh s/o Kadir Mohideen Saibu Maricar	4	2#	2#	4#
Mr. Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar	4	2#	2#	4#
Mr. Devnarayanan s/o K.R. Pisharody	4	NA	NA	4#
Dr. Ahmad Bin Mohamed Magad, JP[1]	4	2	2	4
Ms. Geetha Padmanabhan	4	2	2	4
Mr. Tan Lye Heng Paul[2]	4	2	2	4

Note:

 # By Invitation

[1] Dr Ahmad Bin Mohamed Magad was appointed as Director of the Company on 30 December 2015. He is a Chairman of NC and member of AC and RC.

[2] Mr Tan Lye Heng Paul was appointed as Director of the Company on 30 December 2015. He is a Chairman of RC and member of AC and NC.

1.3 Matters Requiring Board Approval

The Board has identified a number of key areas for which the Board has direct responsibility for decision-making. The Board also reviews Interested Persons Transactions and the Group's internal control procedures. The Board approves major investments and funding decisions. The Board serves as the ultimate decision making body of the company, except for those matters reserved to or shared with the shareowners.

The Board also discusses and considers the following corporate matters: -

- Approval of quarterly and full year result announcements;
- Approval of the Annual Reports and accounts;
- Convening of shareholders' meetings;
- Approval of corporate strategies;
- Material acquisitions and disposal of assets;
- Investments, disinvestments or capital expenditures exceeding set material limit;
- Review of management performance and compliance of values and standards.
- Issuance of shares
- Declaration of interim dividends and proposal of final dividends;
- Commitments to terms loans and line of credits from banks and financial institutions; and
- Interested person transaction

Apart from the matters that specifically require the Boards approval, the Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to management so as to optimize operational efficiency.

1.4 Board Orientation and Training

Directors bring to their Board a wealth of experience, diversified knowledge and skills generated over their careers. Nevertheless Board designs and implements an orientation program for new directors, which is presented by the CEO and senior management, to familiarize new directors with business and governance policies. On appointment, a formal letter is provided to him setting out the terms and conditions of his appointment and explaining the regulatory requirements that a Director has to comply with on appointment. The Executive Directors conduct an orientation programme for newly appointed Directors to make the most of their existing knowledge base by filling any knowledge gaps, typically concerning the company's industry, the competition landscape and technical issues. They are also briefed on the governance practice including Board process, policies on disclosure of interests in securities, prohibitions on dealings in the Company's securities and restrictions on disclosure of price-sensitive information to enable them to assimilate into their new roles. The programme also allows the new director to get acquainted with senior management, thereby facilitating board interaction and independent access to senior management. In FY 2016, Dr. Ahmad Bin Mohamed Magad and Tan Lye Heng Paul who were earlier members of the Advisory Panel, were appointed as Directors of the Company.

On a quarterly basis, the Board is briefed on recent changes to the accounting standards and regulatory updates. The CEO updates the Board at each meeting on business and strategic developments of the Group.

Principle 2: BOARD COMPOSITION AND GUIDANCE

The Board comprises six Directors, three of whom are Independent Non – Executive Directors. The quorum for all Board meetings is four. All the Directors are residents in Singapore. The Directors of the Company as at the date of this statement are:

Mr. Mohamed Salleh s/o Kadir Mohideen Saibu Maricar
Founder & CEO

Mr. Mohamed Hasan s/o Kadir Mohideen Saibu Maricar
Deputy CEO

Mr. Devnarayanan s/o K.R. Pisharody
Executive Director

Dr.Ahmad Bin Mohamed Magad, JP
Lead Independent Non-Executive Director

Mr. Tan Lye Heng Paul
Independent Non-Executive Director

Ms. Geetha Padmanabhan
Independent Non-Executive Director

The Board regularly examines its size and is satisfied that the current composition and size is conducive to make decisions expediently with the benefit of various perspectives and skills, and in the best interests considering the nature and scope of the Group's operations. Each year, the NC reviews the size and composition of the Board and Board committees and the skills and core competencies of its members in order to ensure that the Directors provide diversity to the Board in terms of their skills, expertise and core competencies

The profile of each Director is given on pages 4-6 of this Annual Report.

The NC is of the view that the current Board comprises persons who as a group, have core competencies necessary to lead and govern the Group effectively. The NC is satisfied that sufficient time and attention was given by Directors to the affairs of the Group, taking into consideration the Director's number of listed company Board representation and other principal commitments.

2.1 Independent Directors

The Board has three Directors who are independent members. The criteria for independence are determined based on the definition as provided in the Code.

The Board considers an "independent" Director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment of the Group's affairs with a view to the best interests of the Company. The requirement of the Code that at least half of the Board comprises Independent Directors is satisfied.

Independent directors adopt an oversight role to ensure that corporate assets are exclusively utilized for the benefit of the company. The Independent Non-Executive Directors participate actively in the Board meetings. Where necessary, the Independent Non-Executive Directors meet and discuss on the Group's affairs without the presence of Management.

The NC has adopted practices which will include a retirement schedule and a rigorous review of the appointment and independence of Directors who have served on the Board for more than nine years from the date of their first appointment. Mr Tan Lye Heng Paul and Dr Ahmad Bin Mohamed Magad have served as Independent Non-Executive Directors of the Company for more than nine years since 29 November 2002 and 20 December 1996 respectively. Both Mr Tan Lye Heng Paul and Dr Ahmad Bin Mohamed Magad had retired as directors of the Company in 2012 and 2013 respectively. The Board has subjected their independence to a particularly rigorous review. The NC is of the view that Mr Tan Lye Heng Paul and Dr Ahmad Bin Mohamed Magad have expressed individual viewpoints, debated issues and objectively scrutinised and challenged the Management when deemed necessary. They have sought clarification and amplification whenever deemed necessary, including through direct access to the Management. Mr Tan Lye Heng Paul and Dr Ahmad Bin Mohamed Magad also possess in-depth knowledge relating to the Group's business operations and have continuously contributed impartial and constructive advice at Board level. Having considered the NC's opinion, the Board is of the view that Mr Tan Lye Heng Paul and Dr Ahmad Bin Mohamed Magad have demonstrated strong independent character and judgement over the years in discharging their duties and responsibilities as Independent Directors of the Company with the utmost commitment in upholding the interest of the minority shareholders and there is no material conflict between the tenure of their appointment as Independent Directors of the Company and their ability to discharge their duties as Independent Directors.

In view of the above and taking into account their disclosure of independence, the wealth of experience and knowledge they have brought and will continue to bring to the Board, the Board resolved that Mr Tan Lye Heng Paul and Dr Ahmad Bin Mohamed Magad continue to be considered independent, notwithstanding that they have served on the Board for more than nine years from the date of their first appointments.

Principle 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

Mr. Mohamed Salleh s/o Kadir Mohideen Saibu Maricar is the CEO of the Group since its founding in June 1975 and was also re-appointed the Executive Chairman on 30 November 2013 after retirement of Dr. Ahmad Bin Mohamed Magad, JP.

As the CEO and Chairman, Mr. Mohamed Salleh plays a vital role in assisting the Board to develop policies and strategies and ensuring that they are implemented effectively, casting values with his exhaustive knowledge of business and industry. He ensures that decisions on important matters are made after extensive deliberation and in consultation with the entire Board. He also engages in constructive communication with shareholders at the General Meetings. He exercises objective judgment on corporate matters impartially, thus ensuring a balance of power and authority. He reviews Board papers before they are presented to the Board and ensures that the information provided is accurate, and consists of authentic details.

The independent element is further strengthened by the appointment of Dr. Ahmad Bin Mohamed Magad as the Lead Independent Non-Executive Director. The Lead Independent Non-Executive Director is available to shareholders where they have concerns and for which contact through the normal channels of Chairman, the CEO or the Financial Advisor has failed to resolve or is inappropriate.

All the Board Committees are chaired by Independent Directors and at least half of Board consists of Independent Directors. The Chairman also facilitates the effective contribution of Non-Executive Directors and promotes high standards of corporate governance.

Principle 4: BOARD MEMBERSHIP

NOMINATING COMMITTEE

The Nominating Committee ("NC") comprises of three members, all of whom are Independent Directors. The quorum for the NC meeting is two.

The members of the NC are:

Dr. Ahmad Bin Mohamed Magad
Chairman, Independent Non-Executive Director

Mr. Tan Lye Heng Paul
Member, Independent Non-Executive Director

Ms. Geetha Padmanabhan
Member, Independent Non-Executive Director

The NC's principal functions include the following:

A. <u>Review and recommend to the Board on key executive and all Board appointments:</u>

The NC has put in place a formal process for the selection of new Directors to increase transparency of the nominating process in identifying and evaluating nominees for Directors. The NC leads the process and makes recommendations to the Board as follows:

a. NC evaluates the balance of skills, knowledge, diversity and experience on the Board and, in the light of such evaluation and in consultation with management, determines the role and the desirable competencies for a particular appointment.

b. External help (for example, SID, search consultants, open advertisement) may be used to source for potential candidates if need be. Directors and management may also make recommendations.

c. NC recommends and arranges Board members to meet up with the short-listed candidates to assess suitability and to ensure that the candidates are aware of the expectations and the level of commitment required.

In search for nomination and selection process for new directors, the NC identifies the key attributes that an incoming director should possess, based on a matrix of the attributes of existing Board and the requirements of the Group. All new appointments are subject to the recommendation of the NC based on the following objective criteria:

1. Integrity
2. Independent mindedness to evaluate new information, while still maintaining ability to learn from past
3. Diversity – Possess core competencies that meet the needs of the Company and complement the skills and competencies of the existing Directors on the Board
4. Able to commit time and effort to carry out duties and responsibilities effectively – proposed Director is on not more than five listed Company Boards
5. Proven track record in collaborating with leaders to develop a business benefiting strategy
6. Experience in the relevant field
7. Financially literate, effective coach and a great mentor.
8. Principal time commitments like full time occupation, consultancy work, committee work , Non-listed company Board representations and directorship and involvement

The Chairman in consultation with the Nomination Committee, proposes new directors to be appointed to the Board or seeks the resignation of directors. Any potential conflict of interest is also taken into consideration.

B. Review and recommend to the Board on re-appointments:

The NC is also charged with the responsibility of re-nomination having regard to the Director's competencies, commitment, contribution and performance (such as attendance, preparedness, participation and candour), with reference to the results of the assessment of the performance of the Individual Director by his peers. The NC also strives to strike a balance between appointing a new director and re-electing an existing director with specific basis for retaining long standing director.

The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Pursuant to the Company's Articles of Association, one-third of the Directors shall retire from office at the Company's Annual General Meeting ("AGM"), and a newly appointed Director must submit himself for re-election at the AGM immediately following his appointment.

Where, by virtue of any vacancy in the membership of the NC for any reason, the number of members of the NC is reduced to fewer than three (or such other number as may be determined by the SGX-ST), the Board shall, within three months thereafter, appoint a sufficient number of new members to the NC. Any new member appointed should hold office for the remainder of the term of office of the member of the NC in whose place he or she is appointed. The NC is satisfied that the current size and composition of the Board is adequate to meet the Company's existing scope of needs and the nature of operation. From time to time, the NC will review the appropriateness of the Board with regard to structure, size and composition, considering the changes in the nature and scope of operations as well as the regulatory environment.

There is no alternate Director on the Board.

C. Determine the independence status of the Independent Directors annually:

The task of assessing the independence of directors is delegated to the NC. The NC reviews the independence of each director annually, as and when circumstances require.

Annually, each director is required to complete a Directors Independence Checklist to confirm his/her independence. The Checklist is drawn up based on the guidelines provided in the code of Corporate Governance.

Each director must confirm in the Checklist whether he/she considers himself/herself independent despite not having any relationships identified in the code of Corporate Governance.

Thereafter, NC reviews the checklist completed by each director, assess the independence of the directors and recommends its assessment to the Board.

In accordance with the requirements of the Code, the NC has reviewed the status of the Independent Directors and is of the view that they are in compliance with the Code's definition on independence.

D. Decide whether a Director who has multiple Board representations is able to and has been adequately carrying out his duties as Director of the company

All Directors are required to declare their Board representations. When a Director has multiple board representation, the NC will consider whether the Director is able to adequately carry out his/her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that Dr. Ahmad Bin Mohamed Magad who sits on multiple boards, has been able to devote sufficient time and attention to the affairs of the Company to adequately discharge his duties as Director of the Company, notwithstanding his multiple board appointments.

E. Review and make recommendations to the Board on relevant matters relating to the succession plans of the Board

Currently, there is an informal succession plan put in place by the CEO. Going forward and at the relevant time, the NC will look into such plan in close consultation with the CEO.

Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in discussion on matters in which he or she is interested.

Principle 5: BOARD PERFORMANCE

A review of the Board's performance is conducted by the NC annually to assess its effectiveness and reporting to the stakeholders. The NC has adopted a formal process to assess the effectiveness of the Board and committees of the Board as a whole considering qualitative measures such as setting of strategic decisions and achievement, quality of risk management and adequacy of internal controls. The evaluation exercise is carried out by requiring the Directors to complete a Board Assessment Checklist to be returned to the NC chairman for evaluation. The evaluation considers the key performance namely Board size and composition, Board independence, Board processes, Board information and accountability, Board performance in discharging principle functions, Board committee performance, interactive skills, knowledge, Directors duties, availability at meetings, financial targets and overall contribution. The key objective of the evaluation exercise is to obtain constructive feedback from each Director to continually improve the Board's performance. Individual evaluation aims at determining whether each director contributes effectively and demonstrates commitment.

Upon reviewing the assessment, the NC is of the opinion that the Board and each Director have been effective since their appointment. The NC has also reviewed and recommended that Mr Devnarayanan s/o K.R. Pisharody and Ms Geetha Padmanabhan, who will retire by rotation pursuant to the Company's Articles of Association, being eligible and having consented, be nominated for re-appointment at the forthcoming Annual General Meeting ("AGM").

Further in view of our desire to instil a strong and independent element on the Board, the Board has accepted the following recommendations made by the Nominating Committee with effect from 1 January 2013.

Maximum Length of Service of Independent Directors

An Independent Director may remain in that position for a maximum period of six (6) years only and the one acting as Chairman or Lead Independent Director of the Group or Chairman of the AC may serve an additional three (3) years, making a total of nine years service.

Multiple Directorships

The maximum number of listed company Board representations that a Director in full-time employment may hold is five (5). The Nominating Committee may consider for the Board's approval, a Director holding more than five Directorships in listed companies if he or she is not in full-time employment or retired.

However, a Director who holds more than five (5) listed company representations should be rigorously assessed by the Board to ensure that sufficient time and attention is given to the affairs of each company and he or she is able to and has been adequately carrying his/her duties as a Director of the Company.

Board Composition

At all times and irrespective of whoever holds the position of Chairman & CEO, at least half the Board should consist of Independent Directors and Non-Executive Directors, if any.

Principle 6: ACCESS TO INFORMATION

The Board has separate and independent access to the senior management, external Auditors and the Company Secretary at all times. The Management deals with requests for information from the Board promptly. The Board is informed of all material events and transactions as and when they occur. Prior to each Board meeting, the Management provides the Board all information pertinent to the details of minutes of previous Board meeting, minutes of meeting of all Committees of the Board held since the previous Board meeting, issues dealt by management, relevant budgets, forecasts and projections, major operational and financial issues, statistics on key performance indicators, statistics on customer satisfaction and on the agenda of the meeting. The Management also regularly updates the Board on the Group's performance and consults with Board members whenever necessary and appropriate.

Management recognizes the importance of ensuring the flow of complete, adequate and timely information to the direction on an ongoing basis to enable them to make informed decisions to discharge their duties and responsibilities.

Key matters requiring decision are reserved for resolution at Board meetings rather than by circulating to facilitate decision. Queries by individual Directors on circulated papers are directed to management who will respond accordingly, where relevant Directors' queries and Management's responses are circulated to all the Board members for their information.

The Company Secretary assists in the conduct of the Board meetings and ensures adherence to Board procedures. The Company Secretary also assists on matters in respect of compliance with the Companies Act, Cap. 50 and the Listing Rule of SGX-ST and is also responsible for advising the Board on all matters relating to Corporate Governance. Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed. They also assist the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long term shareholder value.

The appointment and the removal of the Company Secretary are subject to the Board's approval.

Independent professional advice

The Board has a process for directors, either individually or as a group, in the furtherance of their duties, to take independent professional advice, if necessary, at the Group's expense.

REMUNERATION COMMITTEE

Principle 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 8: LEVEL AND MIX OF REMUNERATION

Principle 9: DISCLOSURE ON REMUNERATION

The Remuneration Committee ("RC") comprises three members, all of whom, including the Chairman are independent. The quorum for the RC meeting is two.

The members of the RC are:

Mr. Tan Lye Heng Paul
Chairman, Independent Non-Executive Director

Dr. Ahmad Bin Mohamed Magad
Member, Independent Non-Executive Director

Ms. Geetha Padmanabhan
Member, Independent Non-Executive Director

The functions of the RC are to review and recommend the remuneration packages of the Executive Directors, CEO and key executives of the Company and to review the appropriateness of compensation for Non-Executive Directors including but not limited to Directors' fees, allowances and share options.

The RC reviews the fixed as well as the variable components of the remuneration packages for all the Directors and key management personnel.

In case of Mr. Mohamed Salleh s/o Kadir Mohideen Saibu Maricar (CEO) and Mr. Mohamed Hasan s/o Kadir Mohideen Saibu Maricar (Deputy CEO), the variable part of the remuneration is based on a formula approved by the RC and the Board. The formula is based on the Group's profit before tax for the year and excludes items such as fair valuation and/or realized gains or losses of investment properties. For the financial year ended, the variable remuneration ceilings for Mr. Mohamed Salleh and Mr. Mohamed Hasan were $1.0 million and $0.75 million respectively.

The management proposes bonuses for Mr. Devnarayanan s/o K.R. Pisharody, who is an Executive Director and the key management personnel based on their individual performance as well as the Group's performance for the year. The RC reviews the proposal and after due deliberation, sets forth the same for the Board's approval.

In case of Independent Directors, the fees are a combination of a basic retainer fee plus a variable fee based on the number of meetings attended. The RC ensures that the remuneration of the Independent Directors are appropriate to their level of contribution taking into account factors such as effort, time spent and their responsibilities.

The payment of Directors' fees is subject to shareholders' approval at the AGM of the Company. No Director is involved in deciding his or her own remuneration package.

There is no share-based compensation scheme in place for any of the Directors. In determining the Group's remuneration policy above, the Remuneration Committee from time to time seeks advice from external remuneration consultants, who are unrelated to the Directors or any organization they are associated with, as well as confidentially from selected senior management, including the Director, at its discretion.

A breakdown showing the level and mix of each individual Director's remuneration payable for FY 2016 is as follows:

Remuneration Bands	**Number of Directors**		
	2014	**2015**	**2016**
$1,000,000 to $1,250,000	-	-	-
$750,000 to $1,000,000	1	-	-
$500,000 to $750,000	1	2	2
$250,000 to $500,000	1	1	1
Less than $250,0000	4	3	3
	7	6	6

A summary remuneration table for the Directors for the year ended 31 August 2016:

Name	Remuneration Band	Salary*	Bonus	Fees	Total
S$		%	%	%	
Mr. Mohamed Salleh	$500,000 to $750,00	26.16	73.84	-	100
Mr. Mohamed Hasan#	$500,000 to $750,000	29.74	70.26	-	100
Mr. Devnarayanan s/o K.R. Pisharody	$250,000 to $500,000	52.33	47.67	-	100
Dr. Ahmad Bin Mohamed Magad	Less than $250,000	-	-	100	100
Mr. Tan Lye Heng Paul	Less than $250,000	-	-	100	100
Ms. Geetha Padmanabhan	Less than $250,000	-	-	100	100

Brother of Mr. Mohamed Salleh

* The percentage shown is inclusive of employer's CPF contribution
The actual remuneration in terms of salaries, bonus, fees etc. are as shown below:

Directors	**Total ($)**
Mr. Mohamed Salleh	645,819
Mr. Mohamed Hasan	511,652
Mr. Devnarayanan s/o K.R. Pisharody	251,740
Dr. Ahmad Bin Mohamed Magad[1]	33,048
Mr. Tan Lye Heng Paul[2]	25,710
Ms.Geetha Padmanabhan	30,344
Mr. Choo Chee Kong, Peter[3]	5,772
Mr. Bobby Jayaraman[4]	8,944
	1,513,029

Note:

[1] Dr Ahmad Bin Mohamed Magad was appointed as Director of the Company on 30 December 2015.
[2] Mr Tan Lye Heng Paul was appointed as Director of the Company on 30 December 2015.
[3] Mr Choo Chee Kong, Peter stepped down as Director of the Company on 9 November 2015.
[4] Mr Bobby Jayaraman retired as Director of the Company on 30 December 2015.

CORPORATE GOVERNANCE

A summary remuneration table of 5 Key Executives for the year ended 31 August 2016:

Name	Remuneration Band	Salary*	Bonus	Total
		%	%	%
Mr. Jainulabedeen Raj Mohamed	Below $250,000	65.91	34.09	100
Mr. Azlan Bin Mohd Shafie	Below $250,000	71.68	28.32	100
Mr. Amal Marican	Below $250,000	63.99	36.01	100
Mr. Safie Hussain	Below $250,000	91.30	8.70	100
Mr. Sheikh Farhan[1]	Below $250,000	82.50	17.50	100

* The salary percentage shown is inclusive of employer's CPF contribution

Note:

[1]Mr Sheikh Farhan has resigned on 31 October 2016.

The total remuneration of the key management personnel for FY 2016 was S$415,375/-.

In the above table Mr. Amal Marican is son of Mr. Mohamed Salleh. There are no other employees who are related to the Director, each of whose remuneration exceeded S$50,000/-.

Key Executives who are relatives	Total ($)
Mr. Amal Marican	101,906

Each member of the RC abstains from voting on any resolutions and making any recommendation and/or participating in discussion regarding his or her own remuneration package or on matters in which he or she is interested.

ACCOUNTABILITY AND AUDIT

Principle 10: ACCOUNTABILITY

The Board is accountable to shareholders and ensures that all material information is fully disclosed in a timely manner to shareholders in compliance with statutory and regulatory requirements. The Board provides shareholders with financial statements for the first three quarters and full financial year within the timeframe in line with Rule 705 of the Listing Manual of SGX-ST. The Board aims to provide shareholders with a balanced and clear assessment of the Group's performance, position and prospects.

The Management provides the Board with detailed management accounts, operation review, related explanation and any other information as the Board may require on a quarterly basis. The Audit Committee reviews the financial statements and reports to the Board for approval. The Board then authorizes the release of the results to the SGX-ST. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

The Board ensures timely and full disclosure of material corporate developments to shareholders and also reviews legislation and regulatory compliance reports from management to make sure that the Group complies with relevant regulatory requirements.

In compliance with the Listing Rules, the Board provides a negative assurance statement to the shareholders in its quarterly financial results announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements to be false or misleading in any material aspect.

Principle 11: RISK MANAGEMENT AND INTERNAL CONTROLS

Any business can face various types of risk which can adversely affect the Group's performance and ability to achieve its stated objectives. Hence, the Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. The Company also reviews all significant control policies and procedures and highlights all significant matters to the AC and Board.

The Board, with the assistance from the AC, is responsible for the governance of the risk by ensuring that management maintains a sound system of risk management and Internal controls to safeguard shareholders' Interest and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives.

11.1 Internal Controls

The Group has an in-house internal audit team which regularly reviews the internal controls in place, checks if the controls are implemented properly and reports to the AC.

The AC reviews the adequacy of the internal audit function annually and ensures that the internal audit function is adequately resourced and has appropriate standing within the Company. The external and internal auditors reviewed the effectiveness of the Group's key internal controls, highlighting on significant matters relevant to the Group's preparation of financial statements that require the attention of the Management. Any material non-compliance or shortcomings in internal controls together with remedial measures are reported to the AC which in turn reviews the effectiveness of the Group's system of accounting and internal financial controls for which the Directors are responsible. The AC, together with the Board also reviews the effectiveness of the Group's system of internal controls put in place to address the key financial, operational, compliance risks and information technology controls affecting the operations.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, various Board Committees and the Board, the AC and the Board are of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology controls, and risk management system were adequate and effective as at 31 August 2016.

The Board has received assurance from CEO & Finance Advisor that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and also an effective risk management and internal control system has been put in place.

11.2.1 "Whistleblower" Policy

As part of the Company's continuous effort to ensure that good corporate governance practices are being adopted, the Company has also implemented a "Whistleblower" Policy to provide an avenue or a platform for employees, suppliers, tenants and customers to voice their grievances and/or to raise their concerns about any malpractices, matters of fraud, corruption or dishonest and unethical practices involving the Company without any fear or repercussions. The whistle blowing policy is communicated to all staff and covered during staff trainings. The Chairman is in charge of managing this specific area.

The Group undertakes to investigate complaints of suspected fraud and unethical behaviour in an objective manner and has put in place, with the Audit Committee's endorsement, arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The objective for such arrangements is to ensure independent investigation of matters raised and to allow appropriate actions to be taken.

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. The Group will treat all information received confidentially and protect the identity and the interest of all whistleblowers. Anonymous disclosures will be accepted and anonymity honoured. To further strengthen its Whistleblower Policy, the Company has implemented a strong deterrent by offering a cash reward to any person whether employees, suppliers, business associates or the general public who provides specific, reliable and credible information or evidence of fraudulent activities by any of the Company's Executive Director and Management team as listed in the Company's Annual Report ($50,000/- cash reward) and all other employees (up to $2,000/- cash reward) which leads to admission of guilt by the accused or leads to successful prosecution.

The AC also reviewed the adequacy of the whistle blower arrangements instituted by the Group through which staff and external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

CORPORATE GOVERNANCE

11.2.2 Fraud Prevention Officer ("FPO")

As part of a continuous effort to improve the controls and also to send a clear message to every employee and stakeholder that the management has zero tolerance for fraud, Mr. Mohamed Salleh, the CEO himself is appointed as FPO. The management has put in place a policy highlighting severe consequences for the person committing fraud which will serve as a deterrent and prevent fraud to a great extent.

The principal functions of the FPO include the following:

1. Maintain Company's Whistleblower Policy

   a. <u>Suppliers & Business Associates</u> Ensure updated policy & advisory letter given to and acknowledged by all suppliers & business associates, both local & overseas who has any form of dealings with the company. This is to be translated in the language they best understand.

   b. <u>Employees</u> Ensure updated policy given and acknowledged by all employees. This is to be translated in the language they best understand.

   c. <u>Reminders</u> Ensure reminders are sent out to suppliers & business associates and employees on a yearly basis. To maintain a report on the reminders.

   d. <u>Continuous Implementation</u> Ensure that the Whistleblower Policy is continually implemented.

2. To report immediately / soonest possible any suspicions of fraud to the Chairman & AC and to update on progress of the investigation. Ensure all investigations are carried out independently and objectively in an unbiased manner.

3. To submit reports on a half yearly basis to AC. Report includes:

   a. Updates on issuance of Whistleblower Policies

   b. Updates on issuance of Advisory letter to suppliers/bankers/tenants/business associates

   c. Updates on reminders issued to suppliers /bankers/tenants/business associates & employees

   d. Updates on compliance to the recommendations of External & Internal Auditors.

4. The FPO may delegate his work but not his responsibilities to others within the organisation.

To further improve and strengthen its Corporate Governance, the Company has included an indemnity clause to protect itself from avoidable losses. As such, with effect from 1 January 2012, all Executive Directors and Key Management personnel of the Group had their Service Agreement renewed whereby they indemnify the Company, all losses incurred arising out of or in connection with any gross negligence, fraud or dishonesty committed.

The Board did not establish a separate Board risk committee as the Board is currently assisted by the AC and management in carrying out its responsibility of overseeing the Company's risk management framework and policies.

Principle 12: AUDIT COMMITTEE

The Audit Committee ("AC") comprises three members, all of whom, including the Chairman, are independent. All three members of the AC have relevant accounting and financial management experience. The Chairman of the AC is a qualified chartered accountant. The quorum for the AC meeting is two. At the date of this report, the AC comprises the following members:

Ms. Geetha Padmanabhan
Chairman, Independent Non-Executive Director

Mr. Dr. Ahmad Bin Mohamed Magad
Member, Independent Non-Executive Director

Mr. Tan Lye Heng Paul
Member, Independent Non-Executive Director

The main responsibilities of the AC are to assist the Board in discharging its statutory and other responsibilities relating to four main areas:

- Reviewing financial reporting;
- Reviewing internal control and risk management systems;
- Reviewing internal and external audit processes; and
- Reviewing interested party transactions.

The functions of the AC include the following:

(a) conduct a review with the internal and external auditors of the Company, discuss their audit plans, evaluate the system of internal controls, and ensure co-operation is given by the Company's management to the internal and external auditors;

(b) review the interim and annual financial statements, related announcements and press releases before they are presented to the Board;

(c) review with the management, external and internal auditors the adequacy and effectiveness of the system of the Company's risk management, internal controls, business and service systems and practices;

(d) review related and interested party transactions("IPT");

(e) over-see the Company's Whistleblower Policy;

(f) make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditors;

(g) meet at least once annually with the external auditors without the presence of the management.

(h) inspect significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance.

(i) review the adequacy of the Group's internal controls, including financial, operational, compliance and information technology controls at least annually

(j) analyze the scope, approach and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditor;

(k) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC.

The AC may meet with the auditors at any time, without the presence of the Company's management. It may also examine any other aspects of the Company's affairs, as it deems necessary, where such matters relate to exposures or risks of regulatory or legal nature, and monitor the Company's compliance with its legal, regulatory and contractual obligations.

The AC has power to conduct or authorize investigations into any matters within the AC's scope of responsibility. The AC is authorized to obtain independent professional advice if it deems it necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

In line with the recommendations of the Code, the AC had met with the auditors without the presence of the Company's management during the financial year under review.

The AC has full access to and co-operation of the Company's management and has full discretion to invite any Director or executive officer to attend the meetings, and has been given reasonable resources to enable it to discharge its functions. The external auditors regularly update the AC on the amendments to the accounting standards that are of relevance to the Group.

The Board and the AC have reviewed and are satisfied that the appointment of different auditors for its subsidiary in Malaysia would not compromise the standard and effectiveness of audit of the Group. The Company is therefore in compliance with Rule 712, Rule 715 and Rule 716 of the Listing Manual of SGX-ST.

The AC reviews the non-audit services provided by the external auditors. For the financial year under review, Nexia TS Public Accounting Corporation has provided audit services only. The auditor of the Malaysian subsidiary, SSY Partners, a member firm of Nexia International, has also provided only audit services. Any non-audit services provided by the auditors are subject to review by the AC and the AC is required to opine if any provision of the non-audit services affect the independence of the auditors. The AC is also responsible for evaluating the cost-effectiveness of audit and ensuring independence and objectivity of the auditors.

The AC had also sought the consent of the auditors for re-appointment and has recommended that the auditors be re-appointed for the ensuing financial year. The Board accepted this recommendation and has proposed resolution for re-appointment.

The AC also reviews the internal audit report and the auditors' management report recommendations. It then ensures Management has implemented any recommendations to strengthen the internal controls.

The total audit fees for the Group for FY 2016 is $66,174.

There were no IPT in the financial year under review.

Principle 13: INTERNAL AUDIT

The objective of the internal audit function is to provide independent, objective review and recommendations designed to improve the Group's operations. Internal audit works to determine whether the Group's risk management, control and governance processes, as designed by the Company are adequate and functioning in the required manner.

The Group has an in-house internal audit team which regularly reviews the internal controls in place, including financial, operational and compliance controls and risk management and reports to the AC. In addition, for FY 2016 Deloitte Enterprise Risk Services Sdn Bhd was appointed as the internal auditor to carry out an internal audit review on one of the Group's subsidiary companies "First Lady Apparels (Malaysia) Sdn Bhd" for the following business processes:

a. Review of Goods and Service Tax Controls and compliance review

b. Review of point of sales system.

The AC approves the hiring, removal, evaluation and compensation of the internal auditors.

The internal auditors review the effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The Board and the AC are of the view that the internal audit is adequately resourced and has appropriate standing within the Group.

The primary role of Internal Audit function is to assist the Board and senior management to meet the strategic and operational objectives of the Group, by providing an independent and objective evaluation of the adequacy and effectiveness of risk management, controls and governance processes. The Group's internal audit approach is aligned with the Group's risk management framework by focusing on key financial, operational, compliance and information technology risks. The annual internal audit plan is established in consultation with, but independent of, management. On an annual basis, the AC reviews the adequacy of the internal audit function to ensure the adequacy and effectiveness of the Group's internal audit function as well as to align it to the changing needs and risk profile of the Group's activities.

During the year, the internal audit team has assisted the Group in maintaining effective control by evaluating the effectiveness and efficiency of processes, in particular the adequacy of internal controls over initiation, processing, recording, authorisation of transactions, physical security controls, user access controls, segregation of duties and performance reviews. The internal audit team also obtained an understanding of how the Group has responded to risks arising from information technology and assessed the adequacy of automated application controls.

Principle 14: SHAREHOLDERS' RIGHTS.

Principle 15: COMMUNICATION WITH SHAREHOLDERS

The Group recognizes the importance of maintaining transparency and accountability to its shareholders**.** The Group's corporate governance culture promotes fair and equitable treatment of all shareholders and respects shareholders' rights.

The Group is committed to provide shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price.

Shareholders are given the opportunity to participate effectively and vote at general meetings of the Company. At general meetings, shareholders will be informed of the rules, voting procedures relating to the general meetings.

Whilst there is no limit imposed on the number of proxy votes for relevant intermediaries, the Articles of Association of the Company allow each shareholder to appoint up to two proxies to attend AGMs. Subject to legislative amendment to the Companies Act of the relevant provision regarding appointment of proxies, the Company will consider amending its Articles of Association to allow corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

The Group is committed to maintaining high standards of corporate disclosure and transparency. The Group values dialogue sessions with it shareholders and believes in regular, effective and fair communication with shareholders and is committed to hear shareholders' views and addressing their concerns.

Material information is disclosed in a comprehensive, accurate and timely manner through press release and corporate website. The Company does not practice selective disclosure. In line with continuous obligations of the Company pursuant to the Listing Manual of the SGX-ST, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Group.

Information required by shareholders to make investment decisions is disseminated on a timely basis through:

- SGXNET announcements and news release
- Annual Report prepared and issued to all shareholders

Announcement of financial results is made within forty five days after the end of each financial quarter for the first three quarters and within sixty days after the end of the financial year.

In addition, the Group strongly encourages shareholder participating during AGM which will be held in Singapore. At the AGM, the shareholders are able to proactively engage the Board and management on the Group's business activities, financial performance and other business related matters.

Dividend Policy

Rising profits over the past many years, has allowed the Company to distribute high dividends during those years. In the current economic environment, the Company's profitability has declined and the outlook for the next few years does not seem to be encouraging. In view of this situation, the Board of Directors has decided to be prudent and limit the distribution of dividends to be not more than 30% of net profit after tax. The quantum of dividends will now be decided and announced together with the Full Year results. However, the Company does not intend to pay out dividends every year for as long as the Company remains profitable and the cash flow permits.

Principle 16: CONDUCT OF SHAREHOLDER MEETINGS

The notice of the AGM is dispatched to shareholders, together with explanatory notes or a circular on items of special business, at least fourteen days before the meeting. The notice of AGM is also advertised in local newspaper on the date of posting for the benefit of the shareholders.

All registered shareholders are invited to participate and given the right to vote on resolutions at general meetings. Proxy form is sent with notice of general meeting to all shareholders .The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the AGM.

All Directors including the Chairmen of the AC, RC NC, and the management will normally be present at the AGM to answer any questions relating to the work of these committees. The auditors are also present to assist the Directors on any queries on the financial statements.

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings and responses from the Board and management and such minutes, where relevant will be made available to shareholders upon request during office hours.

The Board recognizes that voting by poll is integral in the enhancement of corporate governance and leads to greater transparency of the level of support for each resolution. The Board will adhere to the requirements of the Listing Manual where all resolutions are to be voted by poll from the upcoming AGM to be held on 29 December 2016.

All resolutions tabled at general meetings are on each substantially separate issue and all resolutions at general meetings requiring shareholders' approval are proposed as separate resolutions.

Dealing in Securities

The Company has adopted an internal code on dealings in securities, which has been issued to all Directors and employees setting up the implications on insider trading.

The internal code prohibits the dealing in securities of the Company by Directors and employees while in possession of price-sensitive information and during the window period beginning two weeks before the announcement of the quarterly results and one month before the announcement of the full year results, and ending on the date of the announcement of the respective results. Directors are required to report securities dealings to the Company Secretary who will assist to make the necessary announcements.

In addition, Directors and employees are reminded to observe insider trading laws at all times. The Company's officers are discouraged from dealing in the Company's shares on short-term considerations.

Material Contracts

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the CEO, any Director, or controlling shareholder during the year under review and up to the date of this report.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and those transactions, if any, are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders. There were no interested person transactions for the financial year ended 31 August 2016.

Statement of Compliance

The Board confirms that for the financial year ended 31 August 2016, the Company has generally adhered to the principles and guidelines as set out in the Code.

DIRECTORS' STATEMENT

For the Financial Year Ended 31 August 2016

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 August 2016 and the balance sheet of the Company as at 31 August 2016.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 59 to 111 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 August 2016 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Mohamed Salleh s/o Kadir Mohideen Saibu Maricar	
Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar	
Devnarayanan s/o Kallankarai Ram Pisharody	
Geetha Padmanabhan	
Ahmad Bin Mohamed Magad	(appointed on 30 December 2015)
Tan Lye Heng Paul	(appointed on 30 December 2015)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.08.16	At 01.09.15 or date of appointment if later	At 31.08.16	At 01.09.15 or date of appointment if later
Company				
Mohamed Salleh s/o Kadir Mohideen Saibu Maricar	434,161,934	373,623,078	63,187,785	57,846,361
Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar	6,300,688	6,300,688	-	-
Devnarayanan s/o Kallankarai Ram Pisharody	4,370,816	4,370,816	-	-
Geetha Padmanabhan	-	-	1,040,052	1,040,052
Ahmad Bin Mohamed Magad	500,045	500,045	-	-
Tan Lye Heng Paul	25,710	25,710	-	-

Directors' interests in shares or debentures

Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar, who by virtue of his interest of not less than 20% of the issued share capital of the Company, is deemed to have an interest in shares of the Company's subsidiary corporations, all of which are wholly owned, at the beginning and at the end of the financial year.

The directors' interests in the ordinary shares of the Company as at 21 September 2016 were the same as those as at 31 August 2016.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company or its subsidiary corporations.

At the end of the financial year, there were no unissued shares of the Company or its subsidiary corporations under option.

Audit committee

The members of the Audit Committee at the end of the financial year were as follows:

Geetha Padmanabhan	(Chairman)
Ahmad Bin Mohamed Magad	(appointed on 30 December 2015)
Tan Lye Heng Paul	(appointed on 30 December 2015)

All members of the Audit Committee were independent and non-executive directors. The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Audit Committee reviewed:

a) the scope and the results of internal audit procedures with the internal auditors;

b) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

c) the assistance given by the Company's management to the independent auditor;

d) the balance sheet of the Company as at 31 August 2016 and the consolidated financial statements of the Group for the financial year ended 31 August 2016 before their submission to the Board of Directors, as well as the Independent Auditor's Report on the balance sheet of the Company and the consolidated financial statements of the Group;

e) the quarterly and annual announcement as well as the related press releases on the financial performance and financial position of the Company and the Group; and

f) the appointment of the independent auditor of the Group.

The Audit Committee has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

Mohamed Salleh s/o Kadir Mohideen Saibu Maricar Director	Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar Director

23 November 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SECOND CHANCE PROPERTIES LTD

Report on the Financial Statements

We have audited the accompanying financial statements of Second Chance Properties Ltd (the "Company") and its subsidiary corporations (the "Group") set out on pages 59 to 111 which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 August 2016, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SECOND CHANCE PROPERTIES LTD

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2016, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Director-in-charge: Ross Yu Limjoco
(Appointed since financial year ended 31 August 2016)

Singapore

23 November 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 August 2016

	Note	2016 $	2015 $
Revenue	4	39,122,086	45,787,870
Cost of sales		(18,731,321)	(19,843,770)
Gross profit		20,390,765	25,944,100
Other losses – net	5	(2,388,046)	(1,850,955)
Expenses			
- Administrative		5,158,996	5,744,356
- Distribution		778,042	963,391
- Finance	6	978,659	2,592,006
- Apparel operating		1,945,166	2,374,705
- Property operating		1,354,762	1,589,728
- Gold and jewellery operating		165,641	256,972
- Other		33,919	76,230
		10,415,185	13,597,388
Profit before income tax		7,587,534	10,495,757
Income tax expense	9	(615,414)	(232,928)
Net profit		6,972,120	10,262,829
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- Fair value gains/(losses)	18	1,040,850	(5,245,063)
- Reclassification	5	-	(2,457,528)
Currency translation differences arising from consolidation	28	(39,315)	(4,444,845)
		1,001,535	(12,147,436)
Items that will not be reclassified subsequently to profit or loss:			
Revaluation (losses)/gains on property, plant and equipment	28	(153,253)	3,090,362
Other comprehensive income, net of tax		848,282	(9,057,074)
Total comprehensive income attributable to equity holders		7,820,402	1,205,755
Earnings per share attributable to equity holders (cents per share)			
Basic earnings per share	10	0.96	1.52
Diluted earnings per share	10	0.96	1.52

BALANCE SHEETS
As at 31 August 2016

		Group		Company	
	Note	2016	2015	2016	2015
		$	$	$	$
ASSETS					
Current assets					
Cash and cash equivalents	11	5,512,471	7,083,907	741,947	3,795,551
Financial assets, at fair value through profit or loss	12	34,642,023	38,865,541	-	-
Trade and other receivables	13	792,564	3,276,425	10,405,910	6,803,277
Inventories	14	16,418,297	17,093,898	990,440	1,103,844
Other current assets	15	528,988	694,352	195,858	169,152
Income tax receivables		162,721	71,590	-	-
		58,057,064	67,085,713	12,334,155	11,871,824
Property held-for-sale	16	-	6,535,000	-	-
Total current assets		58,057,064	73,620,713	12,334,155	11,871,824
Non-current assets					
Amount due from subsidiary corporations	17	-	-	196,380,053	235,080,568
Available-for-sale financial assets	18	53,954,644	53,010,677	47,712,572	46,663,046
Investments in subsidiary corporations	19	-	-	17,230,918	1,208,518
Property, plant and equipment	20	24,567,280	29,296,813	66,889	47,694
Investment properties	21	183,652,679	192,914,323	13,500,000	13,500,000
Total non-current assets		262,174,603	275,221,813	274,890,432	296,499,826
Total assets		320,231,667	348,842,526	287,224,587	308,371,650
LIABILITIES					
Current liabilities					
Trade payables	22	2,399,736	2,736,602	371,754	375,665
Other payables	23	1,901,329	2,178,244	1,658,984	1,644,661
Borrowings	24	55,547,868	83,261,277	50,354,785	67,945,107
Current income tax liabilities		704,842	846,640	266,365	358,675
Total current liabilities		60,553,775	89,022,763	52,651,888	70,324,108
Non-current liabilities					
Borrowings	24	3,231,970	5,307,139	3,231,970	5,307,139
Deferred income tax liabilities	25	191,474	215,840	9,014	8,108
Total non-current liabilities		3,423,444	5,522,979	3,240,984	5,315,247
Total liabilities		63,977,219	94,545,742	55,892,872	75,639,355
Net assets		256,254,448	254,296,784	231,331,715	232,732,295
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	26	138,319,385	120,141,158	138,319,385	120,141,158
Retained profits	27	104,317,488	121,386,333	84,286,589	105,011,805
Other reserves	28	13,617,575	12,769,293	8,725,741	7,579,332
Total equity		256,254,448	254,296,784	231,331,715	232,732,295

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 August 2016

	Note	Share capital	Retained profits	Other reserves* Fair value reserve	Asset revaluation reserve	Currency translation reserve	Total other reserves	Total equity
		$	$	$	$	$	$	$
2016								
Beginning of financial year		120,141,158	121,386,333	8,566,518	9,591,463	(5,388,688)	12,769,293	254,296,784
Cash dividend paid	29	-	(5,862,738)	-	-	-	-	(5,862,738)
Scrip dividend	29	18,178,227	(18,178,227)	-	-	-	-	-
Total comprehensive income for the year		-	6,972,120	1,040,850	(153,253)	(39,315)	848,282	7,820,402
End of financial year		138,319,385	104,317,488	9,607,368	9,438,210	(5,428,003)	13,617,575	256,254,448
2015								
Beginning of financial year		120,141,158	121,281,661	16,269,109	6,501,101	(943,843)	21,826,367	263,249,186
Cash dividend paid	29	-	(10,158,157)	-	-	-	-	(10,158,157)
Total comprehensive income for the year		-	10,262,829	(7,702,591)	3,090,362	(4,444,845)	(9,057,074)	1,205,755
End of financial year		120,141,158	121,386,333	8,566,518	9,591,463	(5,388,688)	12,769,293	254,296,784

* Other reserves are non-distributable.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 August 2016

	Note	2016 $	2015 $
Cash flows from operating activities			
Net profit		6,972,120	10,262,829
Adjustments for:			
- Income tax expense	9	615,414	232,928
- Depreciation of property, plant and equipment	7	379,268	458,474
- Gain on disposal of investment properties	5	(640,000)	(1,050,000)
- Gain on disposal of available-for-sale financial assets	5	-	(2,342,513)
- Fair value loss/(gain) on investment properties	5	1,547,433	(1,221,653)
- Interest income from bank deposits	5	(70,921)	(44,177)
- Finance expense	6	978,659	2,592,006
- Property, plant and equipment written off	7	241,919	-
- Unrealised currency translation differences		(6,222)	794,754
		10,017,670	9,682,648
Changes in working capital:			
- Financial assets, at fair value through profit or loss		4,223,518	8,620,875
- Trade and other receivables		2,483,861	(2,131,508)
- Inventories		675,601	(178,185)
- Other current assets		165,364	314,173
- Trade and other payables		(613,781)	739,101
Net cash generated from operations		16,952,233	17,047,104
Interest received		70,921	44,177
Interest paid		(1,143,215)	(1,123,001)
Income tax paid		(872,269)	(1,730,486)
Net cash provided by operating activities		**15,007,670**	**14,237,794**
Cash flows from investing activities			
Proceeds from disposal of available-for-sale financial assets	18	439,333	3,698,764
Proceeds from disposal of investment properties		12,650,000	5,200,000
Proceeds from disposal of property held-for-sale	16	6,535,000	-
Purchases of available-for-sale financial assets	18	(342,450)	(321,353)
Additions to investment properties	21	-	(16,475)
Additions to property, plant and equipment	20	(374,229)	(4,259,401)
Net cash provided by investing activities		**18,907,654**	**4,301,535**
Cash flows from financing activities			
Proceeds from bank borrowings		79,749,360	128,277,024
Repayment of bank borrowings		(109,394,245)	(133,041,483)
Cash dividends paid to equity holders of the Company		(5,862,738)	(10,158,157)
Net cash used in financing activities		**(35,507,623)**	**(14,922,616)**
Net (decrease)/increase in cash and cash equivalents		(1,592,299)	3,616,713
Cash and cash equivalents			
Beginning of financial year		7,083,907	3,467,194
End of financial year	11	**5,491,608**	**7,083,907**

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Second Chance Properties Ltd on 23 November 2016.

1. General information

Second Chance Properties Ltd (the "Company") is listed on the Main Board of Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is at 845 Geylang Road, #04-22 Tanjong Katong Complex, Singapore 400845.

The principal activities of the Company are those of an investment holding company, retailing of ready-made garments, holding of property as investment for rental income, investing in equities and trading in bonds and equities. The principal activities of the subsidiary corporations are set out in Note 19 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2015

On 1 September 2015, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

The adoption of these new or amended FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2. Significant accounting policies

2.2 Revenue recognition

(b) Rental income

Rental income arising on investment properties from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease terms.

(c) Dividend/Coupon income

Dividend/Coupon income from investments in equity shares and bonds is recognised when the right to receive payment has been established.

(d) Interest income

Interest income is recognised using the effective interest method.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grant relating to assets is deducted against the carrying amount of the assets.

2.4 Group accounting

Subsidiary corporations

(i) Consolidation

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

2. Significant accounting policies

2.4 Group accounting

Subsidiary corporations

(ii) Acquisitions

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired, is recorded as goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

2.5 Property, plant and equipment

(a) Measurement

(i) Land and buildings

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Buildings are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Land and buildings are revalued by independent professional valuers on annual basis (full valuation every 3 years and desktop valuation on the intervening years) or whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increase in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases in carrying amounts are recognised in profit or loss.

2. Significant accounting policies

2.5 Property, plant and equipment

(a) Measurement

(ii) Other property, plant and equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Depreciation rate
Freehold buildings	2.0% to 2.5%
Renovation, furniture and fittings	8.3% to 10.0%
Shop and office equipment	10.0% to 12.5%
Computers and peripherals	20.0% to 33.3%
Motor vehicles	10.0% to 16.6%

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed and adjusted as appropriate at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained profits directly.

2.6 Investment properties

Investment properties include properties that are held for long-term rental yields and/or for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at fair value which is determined by independent professional valuers annually (full valuation every 3 years and desktop valuation on the intervening years). Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as addition and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvement is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2. Significant accounting policies

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest.

2.8 Investments in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiary corporations, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Impairment of non-financial assets

Property, plant and equipment
Investments in subsidiary corporations

Property, plant and equipment and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to the paragraph "Property, plant and equipment" for the treatment of revaluation decrease.

An impairment loss for an asset is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

2.10 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

As at balance sheet date, the Group has financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

(i) Financial assets at fair value through profit and loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

2. Significant accounting policies

2.10 Financial assets

(a) Classification

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables include cash and cash equivalents, trade and other receivables, amount due from subsidiary corporations, and deposits under other current assets accounts.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is transferred to profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit and loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit and loss are recognised immediately as expenses.

(d) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in fair values of financial assets at fair value through profit and loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when changes arise.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss. Changes in fair values of available-for-sale equity securities are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences, if any.

(e) Impairment

The Group assessess at each balance sheet date whether there is an objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

2. Significant accounting policies

2.10 Financial assets

e) Impairment

(i) Loans and receivables

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Available-for-sale financial assets

Significant or prolonged declines in the fair value of the equity securities below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

2.11 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in normal operating cycle of the business if longer). Otherwise they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.13 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the closing prices.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2. Significant accounting policies

2.14 Leases

(a) When the Group is the lessee – operating lease:

The Group leases office and warehouses under operating leases from non-related party.

Leases where substantially all risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(b) When the Group is the lessor – operating lease:

The Group leases out retail spaces and office buildings under operating lease to non-related parties.

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as income in profit or loss when earned.

2.15 Inventories

Inventories are carried at the lower of cost (specific identification method and weighted average method) and net realisable value. Cost comprises direct materials and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.16 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2. Significant accounting policies

2.17 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2.18 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.19 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due.

(b) Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing. The Group recognises a provision when contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

(c) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.20 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency").The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from net investment in foreign operations is recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gain and losses that relate to borrowings are presented in the statement of comprehensive income within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "Other losses - net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2. Significant accounting policies

2.20 Currency translation

(c) Translation of Group entities' financial statements

The financial performance and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expense are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.22 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.23 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors who are responsible for allocating resources and assessing performance of the operating segments.

2.25 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

3. Critical accounting estimates, assumptions and judgements

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

a) Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has not made any judgements that will have a significant effect on the amounts recognised in the financial statements.

b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities include the below:

i) the determination of useful lives of property, plant and equipment (Note 20);

ii) the assessment of adequacy of provisions for current and deferred income taxes (Notes 9 and 25 respectively).

These estimates, judgements and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. Revenue

	Group	
	2016	**2015**
	$	**$**
Sale of goods	26,570,683	31,634,651
Rental income	8,277,277	8,943,096
Dividend/Coupon income	4,274,126	5,210,123
	39,122,086	45,787,870

5. Other losses – net

	Group	
	2016	**2015**
	$	**$**
Fair value (loss)/gain on investment properties (Note 21)	(1,547,433)	1,221,653
Fair value loss on financial assets, at fair value through profit or loss	(1,485,683)	(6,043,255)
Gain on disposal of financial assets, at fair value through profit or loss	54,145	756,465
Net gain on disposal of available-for-sale financial assets		
- Loss on disposal	-	(115,015)
- Reclassification from other comprehensive income on disposal (Note 28(b)(i))	-	2,457,528
	-	2,342,513
Gain on disposal of investment properties	640,000	1,050,000
Interest income from bank deposits	70,921	44,177
Bad debts written off	(179,991)	-
Currency exchange losses – net	(411)	(1,258,129)
Others	60,406	35,621
	(2,388,046)	(1,850,955)

6. Finance expense

	Group	
	2016	**2015**
	$	**$**
Interest on bank borrowings	1,156,038	1,209,393
Currency exchange (gains)/losses – net	(177,379)	1,382,613
	978,659	2,592,006

7. Expenses by nature

	Group 2016 $	Group 2015 $
Purchases of inventories	18,055,720	18,582,277
Employee compensation (Note 8)	4,227,414	4,882,153
Rental on operating leases	1,526,655	2,170,216
Property tax	759,037	882,313
Changes in inventories	675,601	1,261,493
Advertising	540,035	708,703
Depreciation of property, plant and equipment (Note 20)	379,268	458,474
Property, plant and equipment written off	241,919	-
Commission	165,479	92,239
Fees on audit services paid/payable to:		
- Auditor of the Company	59,500	59,500
- Other auditor*	6,674	6,723
Other expenses	1,530,545	1,745,061
	28,167,847	30,849,152

* Other auditor includes network member firms of Nexia International.

8. Employee compensation

	Group 2016 $	Group 2015 $
Salaries and wages	3,786,083	4,418,922
Employer's contribution to defined contribution plans	312,535	363,695
Other benefits	128,796	99,536
	4,227,414	4,882,153

9. Income taxes

	Group	
	2016	**2015**
	$	**$**
(a) Tax expense attributable to profit is made up of:		
Profit for the financial year:		
Current income tax	706,543	846,779
Deferred income tax (Note 25)	(24,179)	(657,683)
	682,364	189,096
(Over)/under provision in prior financial years:		
Current income tax		
- Singapore	(66,950)	18,713
- Foreign	-	25,119
	(66,950)	43,832
	615,414	232,928

The tax on Group's profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2016	**2015**
	$	**$**
Profit before income tax	7,587,534	10,495,757
Tax calculated at tax rate of 17% (2015:17%)	1,289,881	1,784,279
Effects of:		
- expenses not deductible for tax purposes	620,102	270,112
- income not subject to tax	(924,655)	(1,540,959)
- effect of different tax rate for a subsidiary corporation in another jurisdiction	(22,584)	(11,101)
- deferred tax assets not recognised	187,902	190,419
- tax incentives	(464,855)	(501,641)
- (over)/under provision of tax in prior year	(66,950)	43,832
- other	(3,427)	(2,013)
Tax charge	615,414	232,928

The Group has unrecognised tax losses of approximately $1,724,000 (2015: $940,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses have no expiry date.

9. Income taxes

(b) The tax charge relating to each component of other comprehensive income is as follows:

	Group					
	2016			2015		
	Before Tax	Tax charge	After Tax	Before Tax	Tax charge	After Tax
	$	$	$	$	$	$
Fair value (losses)/ gains and reclassification on available-for-sale financial assets	1,040,850	-	1,040,850	(7,702,591)	-	(7,702,591)
Currency translation differences arising on consolidation	(39,315)	-	(39,315)	(4,444,845)	-	(4,444,845)
Revaluation (loss)/gain on property, plant and equipment	(153,253)	-	(153,253)	3,457,936	(348,200)	3,109,736

10. Earnings per share

Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2016	2015
Net profit attributable to equity holders of the Company ($)	6,972,120	10,262,829
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share	722,818,680	677,210,218
Basic and diluted earnings per share (cents per share)	0.96	1.52

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effect of all dilutive potential ordinary shares. The Company has one category of potential dilutive ordinary shares: warrants.

For the financial year ended 31 August 2016 and 31 August 2015, the warrants were not included in the calculation of diluted earnings per share because they are antidilutive.

11. Cash and cash equivalents

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Cash at banks and on hand	5,512,471	7,083,907	741,947	3,795,551

11. Cash and cash equivalents

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2016	2015
	$	$
Cash and cash equivalents (as above)	5,512,471	7,083,907
Less: Bank overdraft (Note 24)	(20,863)	-
Cash and cash equivalents per consolidated statement of cash flows	5,491,608	7,083,907

12. Financial assets, at fair value through profit or loss

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Held for trading				
Listed securities:				
Equity securities – Singapore	16,890,394	18,145,532	-	-
Bonds – Singapore	17,751,629	20,720,009	-	-
	34,642,023	38,865,541	-	-

The bonds bear interest ranging from 4.3% to 9.5% (2015: 2.6% to 8.0%) per annum and have maturity dates from 9 months to 98 months (2015: 13 months to 50 months) from the balance sheet date.

The financial assets, at fair value through profit or loss are used as security for short-term bank borrowings (Note 24).

13. Trade and other receivables

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Trade receivables				
- subsidiary corporations	-	-	10,040,247	5,870,834
- non-related parties	599,154	2,482,874	93,352	105,227
	599,154	2,482,874	10,133,599	5,976,061
Less: Allowance for impairment of receivables – non-related parties (Note 31(b)(ii))	(71,230)	(71,230)	-	-
Trade receivables – net	527,924	2,411,644	10,133,599	5,976,061
Advances to suppliers	258,439	816,121	258,438	816,121
Other receivables – non-related parties	6,201	48,660	13,873	11,095
	792,564	3,276,425	10,405,910	6,803,277

14. Inventories

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Finished goods	16,418,297	17,093,898	990,440	1,103,844

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $18,731,321 (2015: $19,843,770).

15. Other current assets

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Deposits	483,245	694,352	172,358	169,152
Prepayment	45,743	-	23,500	-
	528,988	694,352	195,858	169,152

16. Property held-for-sale

On 16 September 2016, property held-for-sale with carrying amount of $6,535,000 as at 31 August 2015, which was previously reclassified from investment properties (Note 21) has been disposed to third party with purchase consideration of $6,535,000, with no gain or loss on disposal recognised during the financial year.

17. Amounts due from subsidiary corporations

The amounts due from subsidiary corporations in the Company's balance sheet are non-trade, unsecured, and bear effective interest of 1.74% (2015: 1.49%) per annum. These amounts are not expected to be paid within the next 12 months from the balance sheet date.

The management is of the opinion that the carrying amounts approximate their fair values.

18. Available-for-sale financial assets

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Beginning of financial year	53,010,677	61,748,166	46,663,046	54,399,127
Additions	342,450	321,353	342,450	91,074
Fair value gain/(loss) recognised in other comprehensive income (Note 28(b)(i))	1,040,850	(5,245,063)	1,146,409	(4,013,376)
Redeemed by issuers	(439,333)	(407,064)	(439,333)	(407,064)
Disposals	-	(3,406,715)	-	(3,406,715)
End of financial year	53,954,644	53,010,677	47,712,572	46,663,046

18. Available-for-sale financial assets

Available-for-sale financial assets are analysed as follows:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Listed equity securities – Singapore	53,954,644	53,010,677	47,712,572	46,663,046

The available-for-sale financial assets are used as security for bank borrowings (Note 24).

19. Investment in subsidiary corporations

	Company	
	2016	2015
	$	$
Unquoted equity investments at cost	17,230,918	1,208,518

Details of subsidiary corporations are as follows:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2016 %	Equity holding 2015 %
Held by the Company				
Winning Chance Investments Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Another Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Best Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Better Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Double Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Equal Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Fair Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
First Lady Apparels (Malaysia) Sdn Bhd (2)	Retail of ready-made garments	Malaysia	100	100

19. Investment in subsidiary corporations

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2016	Equity holding 2015
			%	%
Golden Chance Goldsmith Pte Ltd (1)	Retail of gold and jewellery, holding of properties as investments for rental income and holding of bonds and equity securities	Singapore	100	100
Good Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
New Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Top Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Second Chance Investments Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Super Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income and trading of bonds and equity securities	Singapore	100	100
Classic Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Great Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Prime Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
Easy Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100
One Chance Properties Pte Ltd (1)	Holding of properties as investments for rental income	Singapore	100	100

(1) Audited by Nexia TS Public Accounting Corporation, Singapore, an independent member firm of Nexia International.

(2) Audited by SSY Partners, Malaysia, an independent member firm of Nexia International.

20. Property, plant and equipment

	Freehold land	Freehold buildings	Renovation, furniture and fittings	Shop and office equipment	Computers and peripherals	Motor vehicles	Total
	$	$	$	$	$	$	$
Group							
2016							
Cost or valuation							
Beginning of financial year							
Cost	-	-	3,645,237	204,462	901,393	115,156	4,866,248
Valuation	21,191,227	6,697,373	-	-	-	-	27,888,600
	21,191,227	6,697,373	3,645,237	204,462	901,393	115,156	32,754,848
Currency translation differences	(20,800)	(4,869)	(4,816)	(29)	(298)	(31)	(30,843)
Additions	-	277,663	52,484	10,462	33,620	-	374,229
Revaluation loss (Note 28)	-	(154,308)	-	-	-	-	(154,308)
Revaluation adjustments	-	(128,252)	-	-	-	-	(128,252)
Written-off	-	-	(607,622)	-	-	-	(607,622)
Reclassified to investment properties (Note 21)	(3,913,000)	(384,433)	-	-	-	-	(4,297,433)
End of financial year	17,257,427	6,303,174	3,085,283	214,895	934,715	115,125	27,910,619
Representing:							
Cost	-	-	3,085,283	214,895	934,715	115,125	4,350,018
Valuation	17,257,427	6,303,174	-	-	-	-	23,560,601
	17,257,427	6,303,174	3,085,283	214,895	934,715	115,125	27,910,619
Accumulated depreciation							
Beginning of financial year	-	5,600	2,307,391	185,029	852,330	107,685	3,458,035
Currency translation differences	-	-	217	4	(228)	(2)	(9)
Depreciation charge (Note 7)	-	128,252	211,741	6,420	30,478	2,377	379,268
Written-off	-	-	(365,703)	-	-	-	(365,703)
Revaluation adjustments	-	(128,252)	-	-	-	-	(128,252)
End of financial year	-	5,600	2,153,646	191,453	882,580	110,060	3,343,339
Net book value							
End of financial year	**17,257,427**	**6,297,574**	**931,637**	**23,442**	**52,135**	**5,065**	**24,567,280**

20. Property, plant and equipment

	Freehold land	Freehold buildings	Renovation, furniture and fittings	Shop and office equipment	Computers and peripherals	Motor vehicles	Total
	$	$	$	$	$	$	$
<u>Group</u>							
2015							
Cost or valuation							
Beginning of financial year							
Cost	14,849,879	4,561,964	4,061,551	207,310	938,840	119,684	24,739,228
Valuation	3,913,000	387,000	-	-	-	-	4,300,000
	18,762,879	4,948,964	4,061,551	207,310	938,840	119,684	29,039,228
Currency translation differences	(2,242,078)	(1,050,648)	(435,010)	(6,003)	(63,776)	(4,528)	(3,802,043)
Additions	-	4,211,221	18,696	3,155	26,329	-	4,259,401
Revaluation surplus (Note 28)	4,670,426	(1,212,490)	-	-	-	-	3,457,936
Revaluation adjustments	-	(199,674)	-	-	-	-	(199,674)
End of financial year	21,191,227	6,697,373	3,645,237	204,462	901,393	115,156	32,754,848
Representing:							
Cost	-	-	3,645,237	204,462	901,393	115,156	4,866,248
Valuation	21,191,227	6,697,373	-	-	-	-	27,888,600
	21,191,227	6,697,373	3,645,237	204,462	901,393	115,156	32,754,848
Accumulated depreciation							
Beginning of financial year	-	36,012	2,271,145	181,856	865,884	107,832	3,462,729
Currency translation differences	-	(2,056)	(195,646)	(4,213)	(58,532)	(3,047)	(263,494)
Depreciation charge (Note 7)	-	171,318	231,892	7,386	44,978	2,900	458,474
Revaluation adjustments	-	(199,674)	-	-	-	-	(199,674)
End of financial year	-	5,600	2,307,391	185,029	852,330	107,685	3,458,035
Net book value							
End of financial year	**21,191,227**	**6,691,773**	**1,337,846**	**19,433**	**49,063**	**7,471**	**29,296,813**

20. Property, plant and equipment

	Renovation, furniture and fittings	Shop and office equipment	Computers and peripherals	Motor vehicles	Total
	$	$	$	$	$
Company					
2016					
Cost					
Beginning of financial year	804,536	73,684	351,713	89,216	1,319,149
Additions	17,760	6,800	16,902	-	41,462
End of financial year	822,296	80,484	368,615	89,216	1,360,611
Accumulated depreciation					
Beginning of financial year	774,373	72,853	335,013	89,216	1,271,455
Depreciation charge	12,816	2,169	7,282	-	22,267
End of financial year	787,189	75,022	342,295	89,216	1,293,722
Net book value					
End of financial year	**35,107**	**5,462**	**26,320**	**-**	**66,889**
2015					
Cost					
Beginning of financial year	803,436	73,405	341,310	89,216	1,307,367
Additions	1,100	279	10,403	-	11,782
End of financial year	804,536	73,684	351,713	89,216	1,319,149
Accumulated depreciation					
Beginning of financial year	759,567	71,132	313,858	89,216	1,233,773
Depreciation charge	14,806	1,721	21,155	-	37,682
End of financial year	774,373	72,853	335,013	89,216	1,271,455
Net book value					
End of financial year	**30,163**	**831**	**16,700**	**-**	**47,694**

20. Property, plant and equipment

(a) Fair value of freehold land and buildings

Fair value hierarchy

As at 31 August 2016, freehold land and buildings are measured at fair value under Level 2 measurement hierarchy.

Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's freehold land and buildings have been generally derived using the sales comparison approach. Sales prices and rental yield of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square metre and rental yield per square metre.

Valuation process of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of the financial year based on the properties' highest-and-best-use. As at 31 August 2016 and 2015, the fair values of the properties have been determined by Jones Lang Lasalle Property Consultants Pte Ltd.

Changes in Level 2 fair values are analysed at each reporting date during the board meeting. As part of the discussion, the management presents a report that explains the reason for the fair value movements.

(b) If the land and buildings stated at valuation were included in the financial statements at cost less accumulated depreciation, their net book values would be:

	Group	
	2016	**2015**
	$	**$**
Freehold land	12,833,119	14,729,663
Buildings	7,560,321	7,668,026

Under the Land Title (Strata) Act for properties located in Singapore, the subsidiary proprietors own a share of the common properties according to the share allotment which includes land. Accordingly, the properties are apportioned into freehold land and building. The apportionment was carried out by an independent property consultant, Jones Lang Lasalle Property Consultants Pte Ltd, in accordance with the Royal Institute of Chartered Surveyors practices.

(c) The Group has mortgaged certain freehold land and buildings with carrying amount of $NIL (2015: $4,300,000) to secure bills payable, bank overdraft and bank loan facilities (Note 24).

21. Investment properties

	Freehold properties	Leasehold properties	Total
	$	$	$
Group			
2016			
Beginning of financial year	55,262,146	137,652,177	192,914,323
Currency translation differences	(1,644)	-	(1,644)
Reclassified from property, plant and equipment (Note 20)	4,297,433	-	4,297,433
Disposal	-	(12,010,000)	(12,010,000)
Fair value changes (Note 5)	(1,547,433)	-	(1,547,433)
End of financial year	58,010,502	125,642,177	183,652,679
2015			
Beginning of financial year	56,426,159	146,172,177	202,598,336
Currency translation differences	(237,141)	-	(237,141)
Additions – subsequent expenditures	12,165	4,310	16,475
Reclassified to property held-for-sale (Note 16)	-	(6,535,000)	(6,535,000)
Disposal	-	(4,150,000)	(4,150,000)
Fair value changes (Note 5)	(939,037)	2,160,690	1,221,653
End of financial year	55,262,146	137,652,177	192,914,323

	Leasehold property
	$
Company	
2016 and 2015	
Beginning and end of financial year	13,500,000

The property rental income earned by the Group from its investment properties, all of which are leased out to non-related parties under operating leases, amounted to $8,277,277 (2015: $8,943,096) (Note 4). Direct operating expenses arising on the investment properties during the year amounted to $1,333,236 (2015: $1,553,499).

As at 31 August 2016, the Group has mortgaged investment properties and assigned the rental proceeds from all of these properties to secure bank overdraft, short-term and long-term bank loan facilities (Note 24).

21. Investment properties

Fair value hierarchy

	Fair value measurement at 31 August 2016 using		
	Quoted price in active markets for identical asset (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $
Recurring fair value measurement			
Investment properties:			
- Retail spaces – Singapore	-	171,855,000	-
- Office buildings – Singapore	-	10,415,000	-
- Retail spaces – Malaysia	-	1,382,679	-

	Fair value measurement at 31 August 2015 using		
	Quoted price in active markets for identical asset (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $
Recurring fair value measurement			
Investment properties:			
- Retail spaces – Singapore	-	178,355,000	-
- Office buildings – Singapore	-	13,175,000	-
- Retail spaces – Malaysia	-	1,384,323	-

As at 31 August 2016 and 2015, the investment properties of the Group were valued by an independent professional valuer based on properties' highest-and-best-use using sales comparison approach. These are regarded as Level 2 fair values. A description of the valuation technique and valuation processes of the Group are provided in Note 20(a).

The Group's investment properties consist of the following:

Location of properties	Description	Tenure of land	Valuation $
Company			
Blk 190 Toa Payoh Lorong 6 #01-560 Singapore 310190	A leasehold unit of approximate 137 square metres	79-year lease from July 1992	13,500,000
Subsidiary corporations			
Blk 710A Ang Mo Kio Avenue 8 #01-2625 Singapore 561710	A leasehold unit of approximately 332 square metres	86-year lease from July 1993	10,000,000

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 August 2016

21. Investment properties

Location of properties	Description	Tenure of land	Valuation $
Subsidiary corporations			
Blk 214 Bedok North Street 1 #01-161 Singapore 460214	A leasehold unit of approximately 148 square metres	86-year lease from October 1992	3,900,000
No. 810 Geylang Road City Plaza #01-43/44/45/46/47/56/57 /60/61/81/107 #02-49/50/51/81/82/86/88 Singapore 409286	20 freehold units of approximately 837 square metres	Freehold	40,250,000
111 North Bridge Road Peninsula Plaza #01-28/28A/29/38/44/ 45A/45B Singapore 179098	5 leasehold units of approximately 253 square metres	999-year lease from October 1829	23,350,000
No. 304 Orchard Road Lucky Plaza #01-56/57/58/59 Singapore 238863	4 freehold units of approximately 76 square metres	Freehold	11,000,000
1 Park Road #01-32/33 People's Park Complex Singapore 059108	2 leasehold units of approximately 76 square metres	99-year lease from March 1968	4,830,000
No. 14 Scotts Road Far East Plaza #02-40/42 Singapore 228213	2 freehold units of approximately 70 square metres	Freehold	5,700,000
Blk 190 Toa Payoh Lorong 6 #01-562 Singapore 310190	A leasehold unit of approximately 96 square metres	79-year lease from July 1992	11,000,000
Blk 201B Tampines St 21 #01-1063 Singapore 522201	A leasehold unit of approximately 184 square metres	92-year lease from October 1992	4,300,000
Blk 505 Tampines Central 1 #01-355 Singapore 520505	A leasehold unit of approximately 55 square metres	99-year lease from January 1991	2,800,000
Blk 505 Tampines Central 1 #01-357 Singapore 520505	A leasehold unit of approximately 53 square metres	99-year lease from January 1991	2,700,000
Blk 221 Boon Lay Shopping Centre #01-114 Singapore 640221	A leasehold unit of approximately 55 square metres	85-year lease from April 1993	3,150,000

21. Investment properties

Location of properties	Description	Tenure of land	Valuation $
Subsidiary corporations			
Blk 12 Haig Road #01-323 Singapore 430012	A leasehold unit of approximately 393 square metres	82-year lease from July 1993	9,400,000
Blk 221 Boon Lay Shopping Centre #01-122 Singapore 640221	A leasehold unit of approximately 55 square metres	85-year lease from April 1993	2,900,000
#05-53/54 Sim Lim Square 1 Rochor Canal Road Singapore 188504	2 leasehold units of approximately 92 square metres	99-year lease from April 1983	3,865,000
#05-36/62/63 Sim Lim Square 1 Rochor Canal Road Singapore 188504	3 leasehold units of approximately 117 square metres	99-year lease from April 1983	5,275,000
#05-64/65 Sim Lim Square 1 Rochor Canal Road Singapore 188504	2 leasehold units of approximately 89 square metres	103-year lease from December 1982	4,130,000
#05-60/61 Sim Lim Square 1 Rochor Canal Road Singapore 188504	2 leasehold units of approximately 69 square metres	99-year lease from April 1983	3,505,000
#05-73/74 Sim Lim Square 1 Rochor Canal Road Singapore 188504	2 leasehold units of approximately 93 square metres	103-year lease from December 1982	4,215,000
#05-72 Sim Lim Square 1 Rochor Canal Road Singapore 188504	A leasehold units of approximately 46 square metres	99-year lease from April 1983	2,085,000
91 Bencoolen Street, #07-01/02/03/04/05 Sunshine Plaza Singapore 189652	5 leasehold units of approximately 523 square metres	99-year lease from March 1997	10,415,000
Lot.1.80, 1.81 & 1.82 Ampang Park shopping Centre, KL, Malaysia	A freehold unit of approximately 459 square feet	Freehold	1,382,679

22. Trade payables

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Trade payables				
- non-related parties	295,373	440,112	94,871	121,269
Rental deposits	1,954,121	2,183,403	245,596	245,595
Rental received in advance	107,549	105,910	1,178	8,801
Advance from supplier	30,109	-	30,109	-
Customers' deposits	12,584	7,177	-	-
	2,399,736	2,736,602	371,754	375,665

23. Other payables

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Accruals for operating expenses	477,724	604,044	300,548	335,575
Directors' bonus and fees payable	855,279	776,013	855,279	740,745
Amount due to director	428,101	526,305	428,101	526,305
Security deposits	30,500	115,114	30,500	30,500
Other payables – non-related parties	109,725	156,768	44,556	11,536
	1,901,329	2,178,244	1,658,984	1,644,661

The amount due to director is unsecured, interest-free and repayable upon demand.

24. Borrowings

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Current				
Bank borrowings(i)	55,170,725	82,731,664	49,977,642	67,415,494
Bank overdraft (Note 11)	20,863	-	20,863	-
Current portion of long-term bank borrowings(ii)	356,280	529,613	356,280	529,613
	55,547,868	83,261,277	50,354,785	67,945,107
Non-current				
Bank borrowings(ii)	3,231,970	5,307,139	3,231,970	5,307,139
Total borrowings	58,779,838	88,568,416	53,586,755	73,252,246

24. Borrowings

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Less than 4 months	58,758,975	88,568,416	53,565,892	73,252,246

(i) The current bank borrowings bear interest ranging from 0.69% to 2.18% (2015: 0.68% to 2.04%) per annum, which represent a fixed margin above the Singapore Interbank Offer Rate.

(ii) The non-current bank borrowings bear interest ranging from 1.37% to 2.32% (2015: 1.05% to 1.89%) per annum, which represent a fixed margin above the Singapore Interbank Offer Rate. The facilities mature on 11 June 2026 (2015: 2 June 2022 to 11 June 2026). These loans are repayable in equal instalments.

(a) Security granted

The bank borrowings of the Group and the Company are secured over financial assets, at fair value through profit or loss (Note 12), available-for-sale financial assets (Note 18), certain freehold land and buildings (Note 20), investment properties and assignment of rental proceeds from these properties (Note 21).

(b) Fair value of non-current borrowings

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Bank borrowings	2,820,536	4,343,299	2,820,536	4,343,299

The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group		Company	
	2016	2015	2016	2015
Bank borrowings	1.50%	2.00%	1.50%	2.00%

The fair values are within Level 2 of the fair values hierarchy (Note 31(e)).

25. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are show on the balance sheet as follows:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Deferred income tax liabilities				
- to be settled after one year	191,474	215,840	9,014	8,108

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

	Accelerated tax depreciation	Asset revaluation reserve	Tax losses	Total
	$	$	$	$
Group				
At 31 August 2014	188,257	417,145	-	605,402
Currency translation differences	(36,720)	(43,359)	-	(80,079)
Credited to profit or loss (Note 9(a))	(23,534)	-	(634,149)	(657,683)
Charged to asset revaluation reserves (Note 9(b))	-	348,200	-	348,200
At 31 August 2015	128,003	721,986	(634,149)	215,840
Currency translation differences	(950)	763	-	(187)
Credited to profit or loss (Note 9(a))	54,374	-	(78,553)	(24,179)
At 31 August 2016	181,427	722,749	(712,702)	191,474
Company				
At 31 August 2014	12,511	-	-	12,511
Credited to profit or loss	(4,403)	-	-	(4,403)
At 31 August 2015	8,108	-	-	8,108
Credited to profit or loss	906	-	-	906
At 31 August 2016	9,014	-	-	9,014

26. Share capital

	No. of ordinary shares		Amount	
	2016	2015	2016	2015
			$	$
Group and Company:				
At beginning of financial year	677,210,218	677,210,218	120,141,158	120,141,158
Shares issued	78,185,934	-	18,178,227	-
At end of financial year	755,396,152	677,210,218	138,319,385	120,141,158

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

During the financial year, the Company issued 78,185,934 ordinary shares for value of $18,178,227 upon the application of Scrip Dividend Scheme.

The newly issued shares rank pari passu in all respects with the existing shares of the Company.

As at 31 August 2016, there are outstanding warrants of 577,024,950 (2015: 577,024,950), with each warrant carrying the right to subscribe for one new share at an exercise price of $0.40. The warrants were issued on 25 July 2012 and can only be exercised with effect from 25 July 2016 and will expire on 24 July 2017.

27. Retained profits

(a) Retained profits of the Group and of the Company are distributable.

(b) Movement in retained profits for the Group and the Company are as follows:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Beginning of financial year	121,386,333	121,281,661	105,011,805	112,561,021
Net profit	6,972,120	10,262,829	3,315,749	2,608,941
Dividends declared and paid (Note 29)	(24,040,965)	(10,158,157)	(24,040,965)	(10,158,157)
End of financial year	104,317,488	121,386,333	84,286,589	105,011,805

28. Other reserves

(a) Composition:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Fair value reserve	9,607,368	8,566,518	8,725,741	7,579,332
Asset revaluation reserve	9,438,210	9,591,463	-	-
Currency translation reserve	(5,428,003)	(5,388,688)	-	-
	13,617,575	12,769,293	8,725,741	7,579,332

28. Other reserves

(b) Movements:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
(i) Fair value reserve				
Beginning of financial year	8,566,518	16,269,109	7,579,332	14,050,236
Available-for-sale financial assets				
- Fair value gain/(loss) (Note 18)	1,040,850	(5,245,063)	1,146,409	(4,013,376)
- Reclassification to profit or loss (Note 5)	-	(2,457,528)	-	(2,457,528)
	1,040,850	(7,702,591)	1,146,409	(6,470,904)
End of financial year	9,607,368	8,566,518	8,725,741	7,579,332
(ii) Asset revaluation reserve				
Beginning of financial year	9,591,463	6,501,101	-	-
Revaluation (loss)/gain (Note 20)	(154,308)	3,457,936	-	-
Tax on revaluation gain (Note 9(b))	-	(348,200)	-	-
Currency translation differences	1,055	(19,374)	-	-
	(153,253)	3,090,362	-	-
End of financial year	9,438,210	9,591,463	-	-
(iii) Currency translation reserve				
Beginning of financial year	(5,388,688)	(943,843)	-	-
Net currency translation difference of financial statements for foreign subsidiary corporation	108,543	(940,838)	-	-
Currency translation difference on net investment in foreign operation	(147,858)	(3,504,007)	-	-
	(39,315)	(4,444,845)	-	-
End of financial year	(5,428,003)	(5,388,688)	-	-

29. Dividends

The directors declared one tier tax-exempt dividend as follows:

	Company and Group	
	2016	**2015**
	$	**$**
One-tier tax-exempt cash dividend of 1.5 cents per share in respect of financial year ended 31 August 2014	-	10,158,157
One-tier tax-exempt cash or scrip dividend of 3.55 cents per share in respect of financial year ended 31 August 2015	24,040,965	-
	24,040,965	10,158,157

30. Commitments

(a) Operating lease commitments – where the Group is a lessee

The Group and the Company leases offices and warehouses from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Not later than one year	729,349	1,334,180	319,588	507,564
Between one and five years	334,210	624,993	308,800	87,988
	1,063,559	1,959,173	628,388	595,552

(b) Operating lease commitments – where the Group is a lessor

The Group and the Company lease out retail spaces and office buildings to non-related parties under non-cancellable operating leases. The lessees are required to pay either absolute amounts or fixed annual increases to the lease payments.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Not later than one year	6,082,226	7,707,625	246,250	690,000
Between one and five years	3,882,624	5,433,164	-	246,250
	9,964,850	13,140,789	246,250	936,250

30. Commitments

(c) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	2016	**2015**
	$	**$**
Property, plant and equipment	-	4,526

31. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk, and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and this includes establishing detailed policies, such as authority levels, oversight responsibilities, risk identification and measurement, and exposure limits in accordance with the objectives and underlying principles approved by the Board of Directors.

(a) Market risk

(i) Currency risk

The Group operates in Singapore and Malaysia. Revenue and expenses are predominantly denominated in Singapore Dollar ("SGD") and Malaysia Ringgit ("MYR").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as United States Dollar ("USD").

In addition, the Group is exposed to currency translation risk on the net assets in Malaysia.

31. Financial risk management

(a) Market risk

(i) Currency risk

The Group's currency exposure based on the information provided to key management is as follows:

	SGD $	USD $	MYR $	Other $	Total $
At 31 August 2016					
Financial assets					
Cash and cash equivalents, and financial assets, at fair value through profit or loss and available-for-sale	77,827,892	10,905,362	4,507,842	868,042	94,109,138
Trade and other receivables	524,939	-	9,186	-	534,125
Receivables from subsidiary corporations	194,759,157	-	11,661,143	-	206,420,300
Other current assets	229,687	-	253,558	-	483,245
	273,341,675	10,905,362	16,431,729	868,042	301,546,808
Financial liabilities					
Borrowings	(55,582,176)	(3,197,662)	-	-	(58,779,838)
Trade and other payables	(2,296,007)	-	(1,867,400)	-	(4,163,407)
Payables to subsidiary corporations	(194,759,157)	-	(11,661,143)	-	(206,420,300)
	(252,637,340)	(3,197,662)	(13,528,543)	-	(269,363,545)
Net financial assets	**20,704,335**	**7,707,700**	**2,903,186**	**868,042**	**32,183,263**
Add: Net non-financial assets	193,668,345	-	30,402,840	-	224,071,185
Currency profile including non-financial assets and liabilities	**214,372,680**	**7,707,700**	**33,306,026**	**868,042**	**256,254,448**
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	**-**	**7,707,700**	**11,661,143**	**868,042**	**20,236,885**

31. Financial risk management

` (a) Market risk

(i) Currency risk

	SGD $	USD $	MYR $	Other $	Total $
At 31 August 2015					
Financial assets					
Cash and cash equivalents, and financial assets, at fair value through profit or loss and available-for-sale	84,619,845	11,220,646	2,293,381	826,253	98,960,125
Trade and other receivables	2,425,145	-	35,159	-	2,460,304
Receivables from subsidiary corporations	219,267,439	-	21,683,963	-	240,951,402
Other current assets	271,573	-	422,779	-	694,352
	306,584,002	11,220,646	24,435,282	826,253	343,066,183
Financial liabilities					
Borrowings	(82,310,584)	(6,257,832)	-	-	(88,568,416)
Trade and other payables	(4,411,589)	-	(397,347)	-	(4,808,936)
Payables to subsidiary corporations	(219,267,439)	-	(21,683,963)	-	(240,951,402)
	(305,989,612)	(6,257,832)	(22,081,310)	-	(334,328,754)
Net financial assets	**594,390**	**4,962,814**	**2,353,972**	**826,253**	**8,737,429**
Add: Net non-financial assets	214,079,381	-	31,479,974	-	245,559,355
Currency profile including non-financial assets and liabilities	**214,673,771**	**4,962,814**	**33,833,946**	**826,253**	**254,296,784**
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	**-**	**4,962,814**	**21,683,963**	**826,253**	**27,473,030**

31. Financial risk management

(a) Market risk

(i) Currency risk

The Company's currency exposure based on the information provided to key management is as follows:

	SGD	USD	MYR	Total
	$	$	$	$
At 31 August 2016				
Financial assets				
Cash and cash equivalents, and available-for-sale financial assets	48,454,416	103	-	48,454,519
Trade and other receivables	107,225	-	10,040,247	10,147,472
Amount due from subsidiary corporations	194,759,157	-	1,620,896	196,380,053
Other current assets	172,358	-	-	172,358
	243,493,156	103	11,661,143	255,154,402
Financial liabilities				
Borrowings	(53,586,755)	-	-	(53,586,755)
Trade and other payables	(1,999,451)	-	-	(1,999,451)
	(55,586,206)	-	-	(55,586,206)
Net financial assets	**187,906,950**	**103**	**11,661,143**	**199,568,196**
Add: Net non-financial assets	31,763,519	-	-	31,763,519
Currency profile including non-financial assets	**219,670,469**	**103**	**11,661,143**	**231,331,715**
Net currency exposure of financial assets net of those denominated in Company's functional currency	**-**	**103**	**11,661,143**	**11,661,246**

31. Financial risk management

(a) Market risk

(i) Currency risk

	SGD	USD	MYR	Total
	$	$	$	$
At 31 August 2015				
Financial assets				
Cash and cash equivalents, and available-for-sale financial assets	50,458,597	-	-	50,458,597
Trade and other receivables	5,987,156	-	-	5,987,156
Amount due from subsidiary corporations	213,396,605	-	21,683,963	235,080,568
Other current assets	169,152	-	-	169,152
	270,011,510	-	21,683,963	291,695,473
Financial liabilities				
Borrowings	(73,252,246)	-	-	(73,252,246)
Trade and other payables	(2,011,525)	-	-	(2,011,525)
	(75,263,771)	-	-	(75,263,771)
Net financial assets	**194,747,739**	**-**	**21,683,963**	**216,431,702**
Add: Net non-financial assets	15,092,111	-	1,208,482	16,300,593
Currency profile including non-financial assets	**209,839,850**	**-**	**22,892,445**	**232,732,295**
Net currency exposure of financial assets net of those denominated in Company's functional currency	**-**	**-**	**21,683,963**	**21,683,963**

31. Financial risk management

(a) Market risk

(i) Currency risk

If the USD and MYR change against SGD by 7% (2015: 5%) and 12% (2015: 10%) with all other variables including tax rate being held constant, the effects arising from the net financial asset position will be as follows:

	2016		2015	
	Increase/(Decrease)			
	Profit after tax	Other comprehensive income	Profit after tax	Other comprehensive income
	$	$	$	$
Group				
USD against SGD				
-Strengthened	447,817	-	205,957	-
-Weakened	(447,817)	-	(205,957)	-
MYR against SGD				
- Strengthened	-	1,161,450	-	1,799,769
- Weakened	-	(1,161,450)	-	(1,799,769)
Company				
USD against SGD				
-Strengthened	6	-	-	-
-Weakened	(6)	-	-	-
MYR against SGD				
- Strengthened	-	1,161,450	-	1,799,769
- Weakened	-	(1,161,450)	-	(1,799,769)

Changes in other currency will not have significant effect on the profit after tax.

(ii) Price risk

The Group is exposed to equity securities and bonds price risk arising from the investments held by the Group which are classified in the balance sheets as available-for-sale financial assets and financial assets, at fair value through profit or loss. These securities are listed in Singapore. To manage its price risk arising from investments in equity securities and bonds, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

31. Financial risk management

(a) Market risk

(ii) Price risk

If prices for equity securities and bonds listed in Singapore had changed by 5% (2015: 5%) with all other variables including tax rate being held constant, the effects on profit after tax and equity would have been:

	2016		2015	
	Increase/(Decrease)			
	Profit after tax	Equity	Profit after tax	Equity
	$	$	$	$'
Group				
Listed in Singapore				
- increased by	1,437,644	2,697,732	1,612,920	2,650,534
- decreased by	(1,437,644)	(2,697,732)	(1,612,920)	(2,650,534)
Company				
Listed in Singapore				
- increased by	-	2,385,629	-	2,333,152
- decreased by	-	(2,385,629)	-	(2,333,152)

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings mainly denominated in SGD and USD. The Company's exposure to cash flow interest rate risks arises mainly from borrowings and loans to subsidiary corporations at variable rates. The Group manages its interest rate risk by keeping bank borrowings to the minimum required to sustain operations of the Group.

If the SGD interest rates had increased/decreased by 0.5% (2015: 0.5%) with all other variables including tax rate being held constant, the profit before tax would have been lower/higher by $277,911 (2015: 411,553) as a result of higher/lower interest expense on these borrowings.

If the USD interest rates had increased/decreased by 0.5% (2015: 0.5%) with all other variables including tax rate being held constant, the profit before tax would have been lower/higher by $15,988 (2015: $31,289) as a result of higher/lower interest expense on these borrowings.

31. Financial risk management

(b) Credit risk

Concentration of credit risk exist when changes in economic, industry and geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instruments is broadly diversified along industry and product lines, and transactions are entered into with diverse credit-worthy counterparties, thereby mitigating any significant concentration of credit risk.

Credit risk arising from the inability of a counterparty to meet the terms of the Group's financial instruments contracts is generally limited to the amounts, if any, by which the counterparty's obligations exceeds the obligations of the Group. It is the Group's policy to enter into transactions with a diversity of credit-worthy counterparties.

As the Group and Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

No concentration of risk with respect to trade receivables exist. The Group's and the Company's trade receivables are primarily due from tenants in respect of their rental income receivable. The management monitor these trade receivables closely and consider the risk of default by these customers to be minimal.

The profile of trade receivables based on the information provided to key management is as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
By types of customers				
Non-related parties				
- Individuals	125,900	498,419	-	-
- Other corporations	402,024	1,913,225	93,352	105,227
Subsidiary corporations	-	-	10,040,247	5,870,834
	527,924	2,411,644	10,133,599	5,976,061

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

31. Financial risk management

(b) Credit risk

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Past due < 3 months	264,454	286,613	80,250	26,750
Past due 3 to 6 months	13,197	3,051	12,250	-
Past due over 6 months	71,501	278,925	-	-
	349,152	568,589	92,500	26,750

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Past due over 6 months	71,230	71,230	-	-
Less: Allowance for impairment	(71,230)	(71,230)	-	-
	-	-	-	-
Allowance for impairment:				
Beginning and end of financial year (Note 13)	71,230	71,230	-	-

The impaired trade receivables arise mainly from rental income from tenants which has suffered significant losses on its operations and management are of the opinion that repayments are not forthcoming.

(c) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risks by monitoring its liquidity position through periodic preparation of cash flows and cash balances forecasts and periodic evaluation of the ability of the Group to meet its financial obligations, measured by the debt-to-equity ratio.

31. Financial risk management

(c) Liquidity risk

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	$	$	$	$
Group				
At 31 August 2016				
Trade and other payables	4,163,407	-	-	-
Borrowings	55,547,868	402,310	1,174,865	1,876,707
At 31 August 2015				
Trade and other payables	4,808,936	-	-	-
Borrowings	83,261,277	620,772	1,805,119	3,363,891
Company				
At 31 August 2016				
Trade and other payables	1,999,451	-	-	-
Borrowings	50,354,785	402,310	1,174,865	1,876,707
At 31 August 2015				
Trade and other payables	2,011,525	-	-	-
Borrowings	67,945,107	620,772	1,805,119	3,363,891

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	Group		**Company**	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Net debt	57,568,432	86,399,355	54,875,546	71,477,021
Total equity	256,254,448	254,296,784	231,331,715	232,732,295
Total capital	313,822,880	340,696,139	286,207,261	304,209,316
Gearing ratio	18%	25%	19%	23%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 2016 and 2015.

31. Financial risk management

(e) Fair value measurement

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

See Note 20 for disclosure of the property, plant and equipment that are measured at fair value under level 2. See Note 21 for disclosure of the investment properties that are measured at fair value under level 2.

As at 31 August 2015, the Group and Company have only 1 class of measurement hierarchy, which is under level 1, relating to financial assets, available-for-sale and at fair value through profit or loss. The fair value of financial instrument traded in active market (available-for-sale and held for trading equity securities and bonds) is based on quoted market price at the balance sheet date. The quoted market price used for financial asset held by the Company is the closing price.

The carrying amount less impairment provision of current trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The carrying amount of current borrowings approximates their fair value.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Notes 12 and 18 to the financial statements, except for the following:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Loans and receivables	6,529,841	10,238,563	207,441,830	245,032,427
Financial liabilities at amortised cost	62,943,245	93,377,352	55,586,206	75,263,771

32. Related party transactions

No transactions took place between the Group and related parties other than those disclosed elsewhere in the financial statements.

(a) Outstanding balances as at 31 August 2016, arising from sales of goods and services, are unsecured and receivable within 12 months from the balance sheet date and disclosed in Note 13 to the financial statements.

(b) Key management personnel compensation

	Group	
	2016	**2015**
	$	**$**
Directors' remuneration:		
Salaries, bonus and fees	1,544,581	1,722,237
Employer's contribution to defined contribution plans	26,861	22,343
	1,571,442	1,744,580

33. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the two geographic areas: Singapore and Malaysia. The segment in Malaysia derives revenue from sale of apparel, while the Singapore segment derives revenue from sale of apparel, gold and jewellery, investment dealing and rental of investment properties.

The segment information provided to the Board of Directors for the reportable segments are as follows:

	Singapore				Malaysia	
	Wearing apparel	Gold and jewellery	Investment dealing	Property rental	Wearing apparel	Group
2016	**$**	**$**	**$**	**$**	**$**	**$**
Group						
Revenue						
- external parties	2,449,817	15,717,393	4,274,126	8,277,277	8,403,473	39,122,086
Segment results	515,963	2,124,292	2,853,164	5,861,642	(1,275,841)	10,079,220
Expenses						
Administrative and other operating expenses						(1,513,027)
Finance expenses						(978,659)
Profit before income tax						7,587,534
Income tax expense						(615,414)
Net profit						6,972,120
Net profit includes:						
Depreciation	24,834	5,918	-	-	348,516	379,268
Segment assets	579,045	11,269,178	88,875,382	184,155,948	35,352,114	320,231,667
Segment assets includes:						
Additions to property, plant and equipment	41,462	15,232	-	-	317,535	374,229
Segment liabilities	611,192	290,050	24,570,725	36,155,146	149,547	61,776,660

33. Segment information

2015	Singapore Wearing apparel $	Singapore Gold and jewellery $	Singapore Investment dealing $	Singapore Property rental $	Malaysia Wearing apparel $	Group $
Group						
Revenue						
- external parties	2,929,169	15,949,794	5,210,123	8,943,096	12,755,688	45,787,870
Segment results	1,748,957	1,581,228	2,272,830	9,972,500	(825,841)	14,749,674
Expenses						
Administrative and other operating expenses						(1,661,911)
Finance expenses						(2,592,006)
Profit before income tax						10,495,757
Income tax expense						(232,928)
Net profit						10,262,829
Net profit includes:						
Depreciation	43,282	5,776	-	-	409,416	458,474
Segment assets	7,286,495	10,501,710	91,876,218	202,477,655	36,700,448	348,842,526
Segment assets includes:						
Additions to property, plant and equipment	11,782	5,730	-	-	4,241,889	4,259,401
Improvements to investment properties	-	-	-	16,475	-	16,475
Segment liabilities	507,798	333,391	36,281,663	54,696,129	397,231	92,216,212

Sales between segments are carried out at terms agreed between the segments. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the statement of comprehensive income.

33. Segment information

Reconciliation of reportable segments' liabilities to total liabilities

The amounts provided to the Board of Directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than director's fees and bonus payable, amount due to director, current income tax liabilities and deferred income tax liabilities.

	2016	2015
	$	$
Segment liabilities for reportable segments	61,776,660	92,216,212
Unallocated:		
Bank overdraft	20,863	-
Director's fees and bonus payable	855,279	740,745
Amount due to director	428,101	526,305
Current income tax liabilities	704,842	846,640
Deferred income tax liabilities	191,474	215,840
	63,977,219	94,545,742

Geographical information

The Group's four business segments operate in two main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally the sale of apparel, gold and jewellery, investment dealing and rental of properties;
- Malaysia – the operations in this area are principally the sale of apparel.

	Revenue	
	2016	2015
	$	$
Singapore	30,718,613	33,032,182
Malaysia	8,403,473	12,755,688
	39,122,086	45,787,870

	Non-current assets	
	2016	2015
	$	$
Singapore	236,320,397	248,907,921
Malaysia	25,854,206	26,313,892
	262,174,603	275,221,813

There is no revenue from single external customer that contributed 10% or more of the Group's total revenue.

34. New or revised accounting standards

Below are the new standards and amendments to existing standards that have been published and relevant for the Group's accounting period beginning on or after 1 September 2016 which have not been early adopted:

- FRS 16 *Property, plant and equipment* and FRS 38 *Intangible assets* (effective for annual periods beginning on or after 1 January 2016)

  This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. This has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The presumption may only be rebutted in certain limited circumstances. These are where the intangible asset is expressed as a measure of revenue; or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

  The amendment is not expected to have any significant impact on the financial statements of the Group.

- FRS 115 *Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2018)

  This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognizes revenue in accordance with that core principle by applying the following steps:

  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

- FRS 1 *Presentation of financial statements* (effective for annual periods beginning on or after 1 January 2016)

  This amendment clarifies guidance in FRS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

34. New or revised accounting standards

- FRS 109 *Financial instruments* (effective for annual periods beginning on or after 1 January 2018)

  The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39.

  For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required by is different to that currently prepared under FRS 39.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

STATISTICS OF SHAREHOLDERS

ISSUED AND FULLY PAID-UP CAPITAL	S$138,319,385
NO. OF SHARES ISSUED	755,396,152
CLASS OF SHARES	Ordinary Shares
VOTING RIGHTS	One vote per share
NO OF TREASURY SHARES	Nil

ANALYSIS OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS
AS AT 14 NOVEMBER 2016

SIZE OF SHAREHOLDINGS			NO. OF HOLDERS	% OF HOLDERS	NO. OF SHARES	% OF SHARES
1	**-**	**99**	58	1.96	2,221	0.00
100	**-**	**1000**	204	6.88	122,043	0.02
1,000	**-**	**10,000**	1,049	35.37	5,709,445	0.76
10,001	**-**	**1,000,000**	1,624	54.75	108,023,580	14.30
1,000,001	**-**	**and above**	31	1.04	641,538,863	84.92
Grand Total			**2,966**	**100.00**	**755,396,152**	**100.00**

THIRTY LARGEST SHAREHOLDERS
AS AT 14 NOVEMBER 2016

NO	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1	MOHAMED SALLEH S/O KADIR MOHIDEEN SAIBU MARICAR	434,161,934	57.47
2	DB NOMINEES (S) PTE LTD	56,841,627	7.52
3	OCBC SECURITIES PRIVATE LTD	30,729,964	4.07
4	LIEW CHIAP KONG	18,616,932	2.46
5	SOFIA BINTE MOHAMED SALLEH MARICAR	17,540,950	2.32
6	RADIAH BINTE MOHAMED SALLEH MARICAR	11,958,253	1.58
7	MOHAMED AMAL BIN MOHAMED SALLEH MARICAR	7,045,156	0.93
8	NADIA D/O MOHAMED SALLEH MARICAR OR SAPIYAH ABU BAKAR	6,346,158	0.84
9	MOHAMED HASAN MARICAN OR SALEHA BINTE ABDUL KADER	6,300,688	0.83
10	DBS NOMINEES PTE LTD	4,779,131	0.63
11	DEVNARAYANAN S/O K R PISHARODY @ SHAH ABDULLAH PISHARODY	4,370,816	0.58
12	RAFFLES NOMINEES (PTE) LTD	4,309,585	0.57
13	JOHARABEE BINTE KADIR MAIDEEN SAIBOO MARICAN	4,001,065	0.53
14	UNITED OVERSEAS BANK NOMINEES PTE LTD	3,696,162	0.49
15	WEE HIAN KOK	3,523,378	0.47
16	TAN WOI @ TAN SIEW HWA	3,364,729	0.45
17	KHONG LAI CHEONG	2,416,011	0.32
18	KOH CHENG TECK OR PNG PECK ENG	2,279,760	0.30
19	OCBC NOMINEES SINGAPORE PTE LTD	2,194,814	0.29
20	LAU CHEE PENG	2,021,054	0.27
21	LEAU CHIAP KIN	1,878,000	0.25
22	CITIBANK NOMINEES SINGAPORE PTE LTD	1,728,217	0.23
23	KUANG SHIHAO	1,681,702	0.22
24	TEO CHONG HOCK	1,443,669	0.19
25	WONG KAI YEEN	1,416,332	0.19

26	CHENG HOOI TIANG	1,354,570	0.18
27	LOH SUAT KEOW	1,203,769	0.16
28	HUSSAIN BIN M ISMAIL	1,136,000	0.15
29	TAN BOON SON @TAN TECK LONG	1,101,591	0.15
30	TOH TIONG WAH OR TOH SEOW YEN (ZHUO XIAOYAN)	1,071,900	0.14
	TOTAL:	**640,513,917**	**84.78**

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information available to the Company as at 14 November 2016, the public holds 23.17% of the listed issuer's equity securities and hence it is in compliance with Rule 723 of the Listing Manual of the SGX-ST which requires at least 10% of a listed issuer's equity securities to be held by the public.

SUBSTANTIAL SHAREHOLDERS (as shown in the REGISTER of Substantial Shareholders)

Name	Shares Registered in the Name of Substantial Shareholder	
	Direct Interest	**Deemed Interest**
Mohamed Salleh s/o Kadir Mohideen Saibu Maricar	434,161,934	63,187,785*

Note:

* The shares are pledged with the bank and are beneficially owned by Mr Mohamed Salleh s/o Kadir Mohideen Saibu Maricar. Also, some shares are held by his spouse. The details are as below:

	NO. OF SHARES
DB Nominees (S) Pte Ltd	56,841,627
Mdm. Sapiyah Abu Bakar	6,346,158
	63,187,785

STATISTICS OF WARRANTHOLDERS

DISTRIBUTION OF WARRANTHOLDERS BY SIZE OF WARRANTHOLDINGS (W170724)
AS AT 14 NOVEMBER 2016

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDINGS	%	NO. OF WARRANTS	%
1 - 99	40	1.99	1,671	0.00
100 - 1,000	205	10.19	112,009	0.02
1,001 - 10,000	769	38.22	3,475,437	0.60
10,001 - 1,000,000	919	45.67	99,758,020	17.29
1,000,001 - and above	79	3.93	473,677,813	82.09
Grand Total	**2,012**	**100.00**	**577,024,950**	**100.00**

THIRTY LARGEST WARRANTHOLDERS
AS AT 14 NOVEMBER 2016

NO.	NAME OF WARRANTHOLDERS	NO. OF WARRANTS	% OF WARRANTS
1	MOHAMED SALLEH S/O KADIR MOHIDEEN SAIBU MARICAR	121,715,389	21.09
2	PHILLIP SECURITIES PTE LTD	40,302,348	6.98
3	BOO MOH CHUAN	24,000,000	4.16
4	CHENG WA SING	22,865,900	3.96
5	MAYBANK KIM ENG SECURITIES PTE LTD	14,293,531	2.48
6	THIAN YIM PHENG	13,499,900	2.34
7	OON BOON CHYE	12,806,900	2.22
8	RADIAH BINTE MOHAMED SALLEH MARICAR	12,802,378	2.22
9	SOFIA BINTE MOHAMED SALLEH MARICAR	11,829,332	2.05
10	NG TIE JIN (HUANG ZHIREN)	9,800,000	1.70
11	RAFFLES NOMINEES (PTE) LTD	9,076,101	1.57
12	YEOW HO HUAT	8,260,100	1.43
13	TENG JEE CHENG	6,735,000	1.17
14	MOHAMED AMAL BIN MOHAMED SALLEH MARICAR	6,111,936	1.06
15	QUEK CHIN SOON	6,050,753	1.05
16	KHOO HWEE SAN	6,000,000	1.04
17	DBS NOMINEES PTE LTD	5,591,858	0.97
18	NADIA D/O MOHAMED SALLEH MARICAR OR SAPIYAH ABU BAKAR	5,505,529	0.95
19	MOHAMED HASAN MARICAN OR SALEHA BINTE ABDUL KADER	5,013,688	0.87
20	LEE HONG KHIM	5,000,000	0.87
21	OCBC SECURITIES PRIVATE LTD	4,976,863	0.86
22	LIEW CHIAP KONG	4,743,832	0.82
23	UOB KAY HIAN PTE LTD	4,476,234	0.78
24	DEVNARAYANAN S/O K R PISHARODY @ SHAH ABDULLAH PISHARODY	4,270,816	0.74
25	ANG BOCK LENG (HONG MULING)	4,000,000	0.69
26	UNITED OVERSEAS BANK NOMINEES PTE LTD	3,772,463	0.65
27	JOHARABEE BINTE KADIR MAIDEEN SAIBOO MARICAN	3,750,965	0.65
28	ONG CHU TEK	3,706,000	0.64
29	EIO HOCK CHUAR	3,615,000	0.63
30	LIM KHIAM BOON	3,212,332	0.56
	TOTAL:	**387,785,148**	**67.20**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Second Chance Properties Ltd (the "Company") will be held at The Orange Ballroom, 845 Geylang Road #03-16 Tanjong Katong Complex Singapore 400845 on Thursday, 29 December 2016 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 August 2016 together with the Auditors' Report thereon. ***(Resolution 1)***

2. To declare a first and final tax exempt (one-tier) dividend of 0.20 cents per ordinary share for the financial year ended 31 August 2016. ***(Resolution 2)***

3. To approve the payment of Directors' fees of S$89,429.96 for the financial year ended 31 August 2016 (2015: S$87,344) ***(Resolution 3)***

4. To re-elect Mr Devnarayanan s/o K R Pisharody, who retires by rotation pursuant to Article 104 of the Company's Articles of Association, as Director of the Company. ***(Resolution 4)***

5. To re-elect Ms Geetha Padmanabhan, who retires by rotation pursuant to Article 104 of the Company's Articles of Association, as Director of the Company. *[See Explanatory Note 1]* ***(Resolution 5)***

6. To re-appoint Messrs Nexia TS Public Accounting Corporation, Certified Public Accountants as Auditors of the Company and to authorize the Directors to fix their remuneration. ***(Resolution 6)***

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions, with or without any modifications:

7. "That, pursuant to Section 161 of the Companies Act, Cap. 50 and the rules, guidelines and measures issued by the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to: ***(Resolution 7)***

(A) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements, or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalization issues,
at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the total number of issued shares excluding treasury shares (as calculated in accordance with sub-paragraph (b) below), and provided further that where shareholders of the Company are not given the opportunity to participate in the same on a pro rata basis, then the aggregate number of shares to be issued under such circumstances (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the total number of issued shares excluding treasury shares (as calculated in accordance with sub-paragraph (b) below); and

(b) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of convertible securities;

(ii) (where applicable) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(d) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." [See Explanatory Note 2]

8. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Sin Chee Mei

Company Secretary

Singapore, 7 December 2016

EXPLANATORY NOTES:

1. Ms Geetha Padmanabhan, if re-elected, will remain as Chairman of Audit Committee and a member of the Nominating Committee and Remuneration Committee. Ms Geetha Padmanabhan is considered as an Independent Director of the Company. Detailed information on Ms Geetha Padmanabhan can be found under "Board of Directors" in the Company's Annual Report 2016. There are no material relationships (including family relationships) between Ms Geetha Padmanabhan and the other Directors of the Company.

2. Ordinary Resolution 7, if passed, will authorize and empower the Directors of the Company from the date of the above Meeting until the date of the next Annual General Meeting, to issue further shares and to make or grant convertible securities convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in aggregate 50 per cent of the total number of issued shares excluding treasury shares of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20 per cent of the total number of issued shares excluding treasury shares of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

NOTES:

1. (a) A member (other than a Relevant Intermediary) is entitled to appoint not more than two proxies to attend and vote at the Annual General Meeting. Where such member appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares to be represented by each proxy must be stated.

   "Relevant intermediary" means:

   (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

2. A proxy need not be a member of a company.

3. If the appointor is a corporation, the instrument appointing proxy or proxies must be executed either under its common seal or signed under the hand of its attorney duly authorised on behalf of the corporation.

4. The instrument appointing a proxy or proxies, duly executed, must be deposited at the Registered Office of the Company at 845 Geylang Road, #04-22 Tanjong Katong Complex, Singapore 400845 not less than forty-eight (48) hours before the time appointed for the holding of the Annual General Meeting of the Company.

5. A Deposit's name must appear in the Depository Register maintained by the Central Depository (Pte) Limited at least seventy-two (72) hours before the time fixed for the holding of the Annual General Meeting or any postponement or adjournment thereof, in order for the Depositor to attend and vote at the Annual General Meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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SECOND CHANCE PROPERTIES LTD
(Co. Reg. No. 198103193M)
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT
1. For relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see Note 2 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ______________________________ NRIC/Passport No. ______________________________

of ____ (Address) being

a *member/members of **Second Chance Properties Ltd** (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)

*and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)

or failing *him/her/them, the Chairman of the Meeting, as *my/our proxy/proxies to attend, speak and vote for *me/us on *my/our behalf, at the Annual General Meeting ("AGM") of the Company to be held on Thursday, 29 December 2016 at The Orange Ballroom, 845 Geylang Road #03-16 Tanjong Katong Complex Singapore 400845 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any item arising not summarised below, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

Note: Voting will be conducted by Poll. If you wish to vote all your shares "For" or "Against" the relevant resolution, please indicate with an "X" in the spaces provided below. Alternatively, if you wish to vote some of your shares "For" and some of your share "Against" the relevant resolution, please insert the relevant number of shares in the relevant boxes provided below. In the absence of specific directions or in the event of any item arising not summarised below, the *proxy/proxies may vote or abstain as *he/they may think ft.

No.	Resolutions	For	Against
1.	To receive and adopt the Directors' Statement, the Audited Financial Statements and Auditors' Report for the financial year ended 31 August 2016		
2.	To declare first and final dividend		
3..	To approve the payment of Directors' fees		
4.	Re-election of Mr Devnarayanan s/o K R Pisharody as Director		
5.	Re-election of Ms Geetha Padmanabhan as Director		
6.	Re-appointment of Messrs Nexia TS Public Accounting Corporation as Auditors		
7.	Authority to allot and issue shares and convertible securities		

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the **Notice of Annual General Meeting** for the full purpose and intent of the Resolutions to be passed.

Dated this ______ day of ____________________ 2016

Total Number of Shares Held	No. of Shares
(a) Depository Register	
(b) Register of Members	

____
Signature(s) of Member(s)/
and, Common Seal of Corporate Shareholder
** Delete as appropriate*

IMPORTANT: PLEASE READ NOTES OVERLEAF

IMPORTANT NOTES TO PROXY FORM:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81 of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant Intermediary" means:

   (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. A proxy need not be a member of the Company

4. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 845 Geylang Road, #04-22 Tanjong Katong Complex, Singapore 400845 not less than 48 hours before the time appointed for the Meeting.

5. Where a Member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

6. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointer, is not shown to have shares against his name in the Depository Register as at 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 December 2016.

AFFIX
STAMP

The Company Secretary
SECOND CHANCE PROPERTIES LTD
845 GEYLANG ROAD
#04-22 TANJONG KATONG COMPLEX
SINGAPORE 400845

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman & CEO
Mohamed Salleh s/o Kadir Mohideen Saibu Maricar

Deputy CEO
Mohamed Hasan Marican s/o Kadir Mohideen Saibu Maricar

Executive Director
Devnarayanan s/o K.R. Pisharody

Lead Independent Non-Executive Director
Dr Ahmad Magad

Independent Non-Executive Director
Geetha Padmanabhan

Independent Non-Executive Director
Tan Lye Heng Paul

AUDIT COMMITTEE

Geetha Padmanabhan - Chairman
Dr Ahmad Magad
Tan Lye Heng Paul

REMUNERATION COMMITTEE

Tan Lye Heng Paul - Chairman
Dr Ahmad Magad
Geetha Padmanabhan

NOMINATING COMMITTEE

Dr Ahmad Magad - Chairman
Geetha Padmanabhan
Tan Lye Heng Paul

MANAGEMENT

Finance Advisor
Reema Agrawal

Accounts Manager
Jainulabedeen Raj Mohamed

Executive Director of First Lady Apparels (Malaysia) Sdn Bhd
Amal Marican

Field Manager
Safie Bin Haji Hussain

Management Executive
Azlan Bin Mohd Shafie

Business Development Executive
Sheikh Farhan Bin Salleh Bawthan

COMPANY SECRETARY

Sin Chee Mei

SHARE REGISTRAR AND WARRANT AGENT

Tricor Barbinder Share Registration Services
80 Robinson Road #02-00
Singapore 068898
Tel: 62363333

AUDITORS

Nexia TS Public Accounting Corporation
Director-in-charge
Ross Yu Limjoco
(appointed since the financial
year ended 31 August 2016)

PRINCIPAL BANKERS

DBS Bank Limited
Oversea-Chinese Banking Corporation Ltd
United Overseas Bank Limited
Barclays Bank PLC Singapore
Bank of Singapore
Credit Suisse AG Singapore

REGISTERED OFFICE

845 Geylang Road #04-22
Tanjong Katong Complex
Singapore 400845
Telephone: 67456911
Facsimile: 67456955
Email: contact@secondchance.com.sg

SECOND CHANCE PROPERTIES LTD

Company Registration No.: 198103193M
Incorporated in the Republic of Singapore

Tel: 6745 6911 | Fax: 6745 6955
Email: contact@secondchance.com.sg

845 Geylang Road #04-22
Tanjong Katong Complex, Singapore 400845